

MASON STEVENS]
GLOBAL INVESTMENT
SERVICE GUIDE

DECEMBER 2019



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IMPORTANT INFORMATION

This Mason Stevens Global Investment Service Guide (**Guide**) has been issued by Mason Stevens Limited (**Mason Stevens, we, us or our**) ABN 91 141 447 207, AFSL 351 578. Mason Stevens is the managed discretionary account provider (**MDA Provider**) of the MDA Service in relation to the Managed Portfolios held in your account, and is the Administrator for the Global Investment Service (**Service**). Investment Manager in this Guide means the entity that advises Mason Stevens or its delegate on the composition of the Managed Portfolios as detailed in the Investment Mandates of your selected Managed Portfolios.

This Guide provides important information regarding your account including the Self-Directed Portfolio and your nominated Managed Portfolios.

Mason Stevens appoints a licensed sub-custodian to hold all client monies and financial products in accordance with regulatory requirements. A copy of the agreement under which the appointment of the sub-custodian was made is available for inspection at the registered office of Mason Stevens.

If you are considering opening an account and investing in Managed Portfolios you must read the Investment Mandate of your chosen Managed Portfolios and the Mason Stevens Financial Services Guide (**FSG**).

Investment involves risk, potentially resulting in (but not limited to) delays in payment of withdrawal proceeds and the loss of income and capital invested. Past performance is not necessarily indicative of future performance. Mason Stevens and its directors, officers, employees, sub-contractors and associates do not assure or guarantee the capital value of your investments will be maintained or the investment performance of any investments acquired through the account.

Where there are references in this document to data provided by third parties, Mason Stevens does not have control over that data and does not accept any responsibility for verifying or updating that data.

Mason Stevens and its directors, officers, employees and associates may from time to time hold interests in investments of, or earn fees and other benefits from, corporations or investment vehicles, which may be held in your account under any Investment Option or Managed Portfolio.

All amounts in this document are quoted in Australian dollars and all fees are inclusive of GST net the effect of any reduced input tax credits.

If you are a retail investor, you must obtain personal advice from a licensed financial adviser on whether this Service and a particular Investment Option or Managed Portfolio is appropriate for you. The information contained in the Investment Mandate and this Guide is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of the information in the Investment Mandate and this Guide, taking into account your objectives, financial situation and needs, before acting on any information in these documents. You should obtain the relevant Investment Mandate for the Investment Options and/or Managed Portfolios you wish to invest in before making any decisions to invest.

This document should be read in conjunction with the FSG, the Investment Mandate for your selected Managed Portfolios (available from your adviser) and the Mason Stevens MDA Service Terms included in this Guide (which together form the Investment Mandate).

The FSG contains information on Mason Stevens and the Service and is available at masonstevens.com.au/fsg

If you are unable to access the online information, your adviser or Mason Stevens can provide the information free of charge.

1] HOW DOES THE MASON STEVENS GLOBAL INVESTMENT SERVICE WORK?

Your account

References to “your account” in this Guide and Investment Mandates for your nominated Managed Portfolios includes your Self-Directed Portfolio as well as any Managed Portfolios in your Managed Discretionary Account (**MDA**).

This Guide contains information for you to establish an account with a Self-Directed Portfolio. If you also wish to invest in an MDA you must read the Investment Mandate for the specific Managed Portfolios you and your adviser have selected. The Investment Mandate is available from your adviser. You will need to agree to the Managed Discretionary Account contract (**MDA Contract**) as outlined below. You retain beneficial ownership of the underlying assets held in your account.

Your portfolios

Self-Directed Portfolio

Mason Stevens will automatically open a Self-Directed Portfolio (**SDP**) for you when you establish an account with us. The SDP is not part of your MDA and allows you and your adviser the flexibility to create your own portfolio of investments across an extensive range of asset classes and exchanges as approved by Mason Stevens (**Approved Assets**), including:

- » Cash
- » Managed funds
- » Australian listed securities including exchange traded funds (ETFs)
- » International listed securities including ETFs across approved exchanges
- » Foreign currency
- » Private equity
- » Fixed income securities
- » Term deposits.

You can instruct Mason Stevens to deal in assets held in your SDP on your behalf on an execution-only basis. A list of Approved Assets available to you can be accessed at masonstevens.com.au/investmenu.

Cash balance in your Self-Directed Portfolio

The SDP is the central cash flow account for regular transactions into and out of your account. Deposits, payments, charges and taxes, and certain fees are processed through your SDP. You can make deposits into your SDP via BPAY®, electronic funds transfer (EFT) or direct debit from an external account.

You can give authority to your adviser to buy and sell assets within your SDP. Buy transactions for Approved Assets, Managed Portfolios and Investment Options are funded from the cash balance in your SDP. Income such as dividends and distributions, and proceeds from sale of Approved Assets are credited to your SDP.

Administration fees, adviser fees and transaction fees incurred in your SDP are deducted from the cash balance. If you have elected to invest in an Investment Option, the Investment Management Fees will also be deducted from the cash balance of your SDP.

The cash in your SDP earns a variable interest rate that will generally be lower than the official cash rate set by the Reserve Bank of Australia (RBA) and we will return not less than 0% on your cash balance. Please refer to our website for updates on the interest rate paid on your cash balance.

Managed Portfolios

The Service allows you to invest in accordance with the parameters of one or more professionally managed portfolios (**Managed Portfolios**) as well as portfolios that follow other Managed Portfolios (**Investment Options**). Information on the investment strategy and parameters of the Managed Portfolios or Investment Options of your choice are detailed in the relevant Investment Mandate, available from your adviser. Transaction fees, Investment Management Fees and Performance Fees (if applicable) incurred within the MDA with respect to a Managed Portfolio, are deducted from the cash allocation of the relevant Managed Portfolio.

Your Managed Discretionary Account Contract

If you are entering into an MDA Contract, your contract will comprise:

1. a complete Account Application and confirmation you have read the MDA Service Terms;
2. the Mason Stevens Financial Services Guide (if you are a retail client);
3. the Investment Mandate for the Managed Portfolios you have chosen, and;
4. the section of your Statement of Advice from your licensed financial adviser which is titled "Investment Program" (if you are a retail client).

The Investment Mandate is between Mason Stevens and the investor (you), for your investment by your account following your chosen Managed Portfolios, which Mason Stevens administers subject to the terms of the Investment Mandate.

If there is any inconsistency between your MDA Contract, the terms of the Investment Mandate will prevail.

Your adviser

If you are a retail client, you must have an adviser who is authorised to use this Service in order to open and maintain an account with us. Your adviser is your main point of contact for queries relating to your account. When you open your account you are authorising us to receive instructions from your adviser on your behalf. Your adviser may also authorise their support staff to assist with the day to day administration of your account.

Your adviser's authority

By opening your account, you agree only to instruct your adviser (or us and our agents) after having read and understood the disclosure documents for the relevant Approved Assets in which you decide to invest. You authorise us and our agents to rely and act on such instructions. Your adviser is not authorised to withdraw from your account other than to pay money to an account nominated by you.

No adviser

Mason Stevens does not provide personal advice. This Service is designed for investors who have an adviser to provide them with personal advice regarding their investments.

If you remove your adviser after your account has been established, you will still have access to place transactions within your Self-Directed Portfolio. You will not be able to add to the holdings in your MDA. If you wish to sell out of your holdings you must instruct us in writing. At our discretion, we will transfer any holdings in your MDA into your Self-Directed Portfolio. Other instructions relating to your account can be provided to us in writing using the appropriate form.

If you do not have an adviser on your account, we may liquidate your assets at market value, transfer the proceeds and balance of your account to your nominated bank account and close your account with us.

2] KEY FEATURES OF THE MASON STEVENS GLOBAL INVESTMENT SERVICE

The key features of the Service are outlined below. Please note these may be updated at the discretion of Mason Stevens.

| Features | Description |
|---------------------------------|--|
| Choice of assets | |
| Managed funds | Over 450 managed funds available on the Investment Menu. |
| Australian listed securities | Access approved listed securities on the Australian Securities Exchange (ASX). |
| International listed securities | Access an extensive range of international exchanges approved by Mason Stevens. |
| Fixed income securities | Select from a wide range of fixed income securities. |
| Private equity | If you are a wholesale investor, you can invest in various private equity opportunities which are available through Mason Stevens. |
| Foreign currency | Access some of the world's major currencies approved by Mason Stevens. |
| Term deposits | Select from a panel of term deposit issuers with varying terms and rates. |
| Other approved assets | We may include other approved assets in your account which do not fall into the above categories from time to time. |
| Your account | |
| Self-Directed Portfolio | You and your adviser can create a portfolio of assets to suit your investment needs. |
| MDA | Choose from a diverse range of professionally managed portfolios. |
| Comprehensive reporting | |
| Online access | Access an online portal that allows you to view details of your account including overall valuation, asset allocation, performance and transactions. It is accessible on the desktop and via any smart device. |
| Household reporting | View consolidated reporting across all of your accounts. |
| Annual statements | Statements will be available online to assist you with your tax return. |
| External Assets | Assets that you hold outside of the Service, including bank accounts you hold with selected providers, can be included in your overall account valuation. |
| Minimum balance | |
| Initial investment | \$50,000 (or such amounts as approved by Mason Stevens) |
| Ongoing account balance | \$10,000 |
| Cash balance | The higher of \$2,000 and 2% of your total account balance, up to \$15,000. |
| Managed Portfolios | As per Investment Mandate. |
| Investment Options | As per Investment Mandate. |
| Tailored Portfolios | As per disclosure, if available through your adviser. |
| Transaction minimum | |
| Managed Portfolios | As per Investment Mandate. |
| Managed funds | \$250 per transaction per fund. |
| Australian listed securities | \$500 per transaction per security subject to ASX requirements. |
| International listed securities | \$1,500 per transaction per security subject to the relevant exchange. |
| Fixed income securities | \$5,000 |
| Private equity | Subject to the disclosure for the private equity offer. |
| Foreign currency | Not applicable. |

| Features | Description |
|--------------------------------------|---|
| Term deposits | As per disclosure document for your selected term deposit. |
| Other approved assets | \$5,000 unless stated otherwise. |
| Deposits and withdrawals | |
| Direct credit or BPAY | \$250 minimum per transaction |
| Direct debit | \$250 minimum per transaction |
| In-specie transfers | Transfer your existing assets that are approved on our Investment Menu into your account. |
| Cash withdrawals | \$250 minimum per transaction |
| Fees, charges and other costs | |
| Administration fees | The fee paid to Mason Stevens for the general administration of your account. |
| Investment Management fee | The fee paid to investment managers for advising on and managing the investments held within your Managed Portfolios. |
| Performance fee | The fee some investment managers charge for outperforming the benchmark. |
| Adviser fees | You and your adviser can agree on a fee which your adviser will receive. |
| Transaction fees | The fees paid to Mason Stevens for buying, selling or transferring assets in your account. |
| Other fees and costs | Other fees and costs may apply to your account. Please refer to the Fees and costs section for further details. |
| Family group linking | You and your family member may be eligible for a 10% discount on your Administration fees when you group two or more accounts, up to a maximum of six accounts. |
| Transacting in your SDP | |
| Your adviser | You can give authority to your adviser to buy and sell assets on your behalf in the Self-Directed Portfolio. |
| You can transact | You have the ability to buy and sell assets in your Self-Directed Portfolio by accessing the secure online portal. |

3] ESTABLISHING YOUR ACCOUNT

If you are a retail client and you would like to establish an account you need to consult with your adviser and receive personal financial advice. Your adviser will issue you with an SOA that advises you that the Managed Portfolios and this Service are suitable for your circumstances.

Your adviser must conduct an annual review of your account and determine the ongoing appropriateness and suitability of the investments held in your MDA.

If you are a wholesale or sophisticated investor as defined by the *Corporations Act*, an SOA or Record of Advice is not required to be provided to you, even if personal advice is provided.

Opening an account

To open an account, you or your adviser must complete the online application form. As part of your account application, you will be required to provide proof of identification for all applicants, including any party given authority to operate the account on your behalf. This verification process takes place before your account is opened. If we are unable to process your application because it is incomplete or incorrectly completed, we will contact you or your adviser.

Once your account application has been processed you will receive a confirmation that your account has been opened.

You will also receive separate confirmations confirming details of your user name and password, which will allow you to login to your account at masonstevens.com.au.

Before your account can be activated you must read and agree to the following:

- » Application Form terms and conditions and all fees applicable, available when you first login to your account;
- » MDA Service Terms;
- » Mason Stevens Financial Services Guide (if you are a retail client); and
- » the Investment Mandate, available from your adviser, which details the investment strategy and parameters of the Managed Portfolios you wish to follow.

Nominating an Authorised Person

You will be asked to nominate an authorised person (e.g. your adviser) during the account application process. By nominating an authorised person on your account, you allow them to undertake certain activities in relation to operating your account, including providing Mason Stevens with instructions to implement. For example, they will be able to instruct Mason Stevens to buy or sell assets on your behalf or to update your details. Any authorised person will have the same level of authority on your account as you, except the authorised person will not be able to update details for your nominated bank account. If your authorised person has changed you will need to notify Mason Stevens to update our records. Please refer to the *Changing your account details* section for further information.

4] OPERATING YOUR ACCOUNT

Initial contribution

Cash Contribution

You can make cash deposits into your account by direct deposit, BPAY® (Biller Code 269100), direct debit or electronic funds transfer (EFT).

It is important to ensure that your Mason Stevens account number (supplied when you log in) is referenced when a payment is made by bank deposit or electronic transfer as it assists with the identification of your transaction. If you do not provide the account number, there may be delays in implementing your instructions for your account.

Direct debit

You can set up a direct debit facility to automatically deposit cash into your Self-Directed Portfolio from external bank accounts that are in the same name as your Mason Stevens account by completing the *Direct debit request* form available online. You can set up a direct debit at the following frequencies and select a preferred payment date:

- » once only on your nominated date
- » monthly
- » quarterly
- » half-yearly, or
- » yearly.

Additionally you can provide your adviser with an ongoing authority to debit your nominated bank account from time to time for a variable amount, as required for your continuing investment needs.

Direct debit can also be set up to run on the 25th of the month to replenish the cash balance of your Self-Directed Portfolio if it falls below the required minimum amount. We will deduct the amount from the nominated bank account on the date instructed by you and the funds will generally be credited to your Self-Directed Portfolio on the same day as the deduction and become available for use after two business days.

To change the amount of your direct debit or to cancel your direct debit facility, you or your adviser can contact us. If you wish to increase the amount or frequency of your direct debit, or change the nominated account, you will need to instruct us by completing the *Direct debit request* form. Your direct debit facility will automatically cease if:

- » your account is closed
- » you do not make at least one successful direct debit in every 12 months, or
- » three direct debits are rejected within a 12-month period.

Please ensure that there are sufficient cleared funds in your nominated bank account to honour the direct debit request.

If a direct debit is dishonoured, you authorise us to pass on to you any associated fees by deducting your Self-Directed Portfolio.

Cash management

When you invest through the Service, your cash funds in AUD are pooled with the cash funds of other clients of the Service. Mason Stevens deposits these cash funds with an Authorised Deposit-taking Institution (ADI), Australia and New Zealand Banking Group ABN 11 005 357 522 (ANZ) or, for amounts to settle pending purchases or receipt of sale proceeds, using our primary sub-custodian National Australia Bank Limited. Your cash funds in AUD are managed among the deposit accounts to ensure that amounts are reserved to settle pending purchases and amounts are made available for investment. The current interest rate applicable to your account for cash funds invested through the Service by deposits with ADIs is notified to you via the relevant disclosure document or fee schedule or other updated notice provided to you. The rate calculated on your funds in AUD will be determined by the interest earned by Mason Stevens on all clients' cash funds on deposit with the respective ADIs after consideration of any fees payable to Mason Stevens for any management and administration of such cash balances and associated payments and services. Mason Stevens will not withdraw your money except where instructed by you, including an authorisation by you in accordance with the terms and any investment mandates you have given.

Transfer of assets

You are able to transfer assets that you own into your account. To do so you will need to complete the appropriate documentation which will be provided by your adviser who will be able to assist you with completing the necessary documentation.

A cost base history per parcel needs to be recorded for each of the assets transferred into your account before the transfer can be finalised. Mason Stevens accepts the details you provide and accepts no liability for the information provided.

Assets you wish to transfer in or purchase for your account which are not part of a Managed Portfolio may be held in your Self-Directed Portfolio, which will be automatically established for you when your account application has been processed.

Maintaining a minimum cash balance

You must maintain a minimum cash balance in your Self-Directed Portfolio at all times. If your cash balance falls below the minimum, we will endeavour to contact your adviser to have your cash balance replenished. If your adviser does not take action to top up your cash balance and if you do not have any sell transactions awaiting settlement, conversion of your foreign cash holdings and sell down of your assets in order of the priority listed below will take place on the 5th of the following month, to bring your cash holding back to the minimum required balance.

1. **Foreign currency cash** from Self-Directed Portfolio - currency selection is based on largest to smallest AUD equivalent value.
2. **AUD cash from Tailored Portfolio** (this only applies if you have a Tailored Portfolio)
3. **Foreign currencies from Tailored Portfolio** starting with the largest to smallest AUD equivalent value (this only applies if you have a Tailored Portfolio)
4. **Australian Equities** - starting with largest value of your security holding
5. **International Equities** - starting with largest value of your security holding
6. **Managed Portfolio - AUD cash**
7. **Managed Portfolio - foreign currency cash**
8. **Managed Fund in your SDP** - starting with:
 - a. Managed fund with daily liquidity
 - b. Managed fund with largest value
9. **Managed Portfolio** - starting with:
 - a. Managed Portfolio with highest value ASX listed equity
 - b. Managed Portfolio with highest value listed equity
 - c. Managed Portfolio with highest value managed fund listing
 - d. Managed Portfolio with highest value fixed income listing
10. **Fixed Income securities in your SDP**
11. **Term deposits in your SDP** - starting with shortest term to maturity

Any transaction costs or additional costs incurred as a result of this sell down process will be charged to your account.

Placing orders

Instructions to transact on your account may be given to us by you or the adviser registered against your account through the online order pad. Orders can be placed “at limit” or “at market” and cannot be amended online once they have been placed.

- » An “at limit” order is to buy or sell specified units of a security at a specified price.
- » An “at market” order is an order to buy or sell specified units of a security at the available market bid or offer price.

Your instructions will remain effective until:

- » You provide us with subsequent written instructions, in time for us to act on them, to cancel or supersede your original orders, or

- » Your orders are cancelled, due to exchange rules and the rules and requirements of the market participants who have received the order.

We may decline to act on your instructions, or delay acting on your instructions if we believe they are incomplete, ambiguous or unclear. Your instructions may also be declined if we believe they might contravene laws, rules or market practices. Please refer to our online terms of use available at masonstevens.com.au/onlineterms.

Changing your account details

To change the contact details of your account you should complete the appropriate forms. Please contact us or your adviser for further information.

If you wish to change your nominated bank account into which withdrawals are paid or contributions are received, you should complete the appropriate forms. Please contact us or your adviser for further information. Once a request has been received Mason Stevens will confirm any change of bank details directly with at least one person named as account holder.

Closing your account

If you decide to close your account you can request:

- » the disposal of assets in your Managed Portfolios and the proceeds to be retained in your Self-Directed Portfolio
- » the disposal of assets in your Managed Portfolios and the proceeds be paid to your nominated bank account on our record
- » the transfer of assets from your Managed Portfolios into an issuer or broker sponsored holding
- » the transfer of any unlisted securities into a nominated custodial account, subject to the notional amount transferred being of an allowable market parcel size
- » a combination of the above.

To close your account, you should complete the appropriate forms. Please contact us or your adviser for further information.

If you decide to transfer assets, they must be in the same name as your account. Any in-specie transfer out of assets will incur a fee. The account will generally be closed within ten days of receipt of your request. However, note that the timing will be subject to the sell down of the assets held in your account and such sell-down will incur transaction costs. Please refer to the *Fees, charges and costs section* for further details.

Prior to closing your account, all fees and expenses will be deducted.

5] FEES, CHARGES AND COSTS

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows the fees, charges and costs that you may be charged. The fees, charges and costs are inclusive of GST net the effect of any reduced input tax credits unless otherwise stated.

You should read all the information about fees and costs, including the additional explanation information, as it is important to understand how fees and costs may impact your investments (including returns) in your account.

Mason Stevens Global Investment Service

| Type of fee or cost | Amount | How and when paid | |
|---|---|--|-------|
| Fees when your money moves in or out of the Service | | | |
| Establishment fee¹ The fee to open your investment | Nil | Not applicable | |
| Contribution fee The fee on each amount contributed to your investment | Nil | Not applicable | |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | Not applicable | |
| Exit fee¹ The fee to close your investment | Nil | Not applicable | |
| Management costs² The fees and costs for managing your account | | | |
| Management fee | The management fee for each MDA is set out in the relevant Investment Mandate. | The management fee for the MDA is calculated daily and paid monthly in arrears. | |
| Performance fee | The performance fee for each MDA, where applicable, is disclosed in the relevant Investment Mandate. It will be disclosed as an estimate incurred annually based on previous financial years and reasonable estimates. | The performance fee is calculated periodically and is a direct charge to your MDA for the Managed Portfolio. | |
| Administration fee³ | Account balance | The administration fee is calculated daily on the balance of your entire account and paid monthly in arrears. Administration fees are calculated on a tiered basis. You may be eligible for a 10% family group linking discount on your administration fee. Please refer to <i>Additional explanation of fees and costs</i> for further details | |
| | Rate % pa | | |
| | \$0 - \$500,000 | | 0.275 |
| | \$500,001 - \$1,000,000 | | 0.220 |
| | Above \$1,000,000 | Nil | |
| Custody fee³ | 0.055% pa | The custody fee is calculated daily on the balance of your entire account and paid monthly in arrears. | |
| Account keeping fee³ | \$165 pa | The cost for the maintenance and operation of your entire account. It is paid monthly in arrears. | |
| Service fees | | | |
| Switching fee The fee to recover the costs of switching all or part of your investment from following one Managed Portfolio to another. | Nil | Not applicable | |

¹ There are no specific establishment or exit fees for your Managed Portfolios. However, you will incur any relevant transactional and operational costs (including transaction costs) on the initial purchase, sell down or transfer of securities. Please refer to the *Additional Explanation of Fees and Costs* section for full details.

² This fee does not include any amounts payable to your adviser. Please refer to the *Adviser Fees* section for further information.

³ In some instances your adviser may negotiate different administration fees than what is shown in this table. If so, your adviser will set this out in your Statement of Advice if you are a retail client.

Example of annual fees and costs – Mason Stevens ASX 20 Managed Portfolio

This table gives an example of how the fees and costs for the Mason Stevens ASX 20 Managed Portfolio can affect your investment over a one-year period.

You should use the table to compare this investment product with other similar investment products.

| Example – Mason Stevens ASX 20 Managed Portfolio | | Balance of \$50,000 with a contribution of \$5,000 during the year ¹ |
|--|-----------|---|
| Contribution fee | Nil | For every additional \$5,000 you invest, you will be charged \$0. |
| Management costs | | |
| PLUS Management fee | 0.22% pa | For managing the Managed Portfolio you will be charged \$110 each year. |
| AND Performance fee ² | Nil | Based on previous financial years and reasonable estimates, the estimated performance fee for the Managed Portfolio is \$0 each year |
| AND Administration fee | 0.275% pa | To allow for administration costs and expenses you will be charged \$137.50 each year. |
| AND Custody fee | 0.055% pa | To allow for the costs of custody of your investments including the fees of any appointed sub-custodian, you will be charged \$27.50 each year. |
| AND Account keeping fee | \$165 pa | For the cost of maintaining your account you will be charged \$165 each year. For every \$50,000 you have in the Managed Portfolio you will be charged total management costs of \$440 each year. |
| EQUALS total cost of product | | If you had an investment of \$50,000 at the beginning of the year and you invest an additional \$5,000 during that year, you would be charged total fees and costs of \$440 ² |

¹ This example assumes \$50,000 is invested for the entire year and \$5,000 is invested during the year and that the value of the investment is constant over the year. You should note that this general disclosure relating to fees and costs may change between the time when you read this Guide and the time you acquire the product.

² The Managed Portfolio used in this example does not have a performance fee or incur indirect costs.

Transactional and operational costs applicable to your MDA and Self-Directed Portfolio

Transactional and operational costs are incurred in the buying or selling of assets held in your account including brokerage costs, settlement costs, clearing costs, registration fees, bank charges, Government taxes, stamp duty (if applicable) on securities bought and sold at market. Such costs are additional to those disclosed in the *Fees, charges and costs* table above. The amount of transactional and operational costs will generally reflect the extent to which the assets are managed e.g. active versus passive management.

You will be charged transaction fees when we act on the

advice of the Investment Manager to buy or sell assets within your MDA. If you or your adviser buy or sell assets within your Self-Directed Portfolio you will also incur transaction fees. These fees are outlined in the table below.

Transaction fees incurred are displayed in the post execution trade confirmations. Transaction fees are directly deducted from your account and are fully transparent.

For any changes to the fees below, please refer to the *Continuous Disclosure Updates and Information* section online at masonstevens.com.au.

| Transactional and Operational Costs | | |
|---|--|---|
| Cost | Amount | How and when paid |
| In-specie transfer fee | Should you request a transfer of direct equities, managed fund or any other financial product out of your account, a transfer fee of up to \$33.00 for each individual asset is payable. | Deducted from your cash balance at the time of transfer. |
| Transaction fees¹ (MDA) | Managed funds ² : \$16.50 per transaction Fixed income ³ : 0.55% of transaction value Domestic equities: 0.33% of transaction value International equities: 0.55% of transaction value Foreign currency cash transfer fee: \$25 per transaction | Deducted from your cash balance at the time of transfer. |
| Transaction fees¹ (Self-Directed Portfolio) | Managed funds ² : \$33.00 per transaction Fixed income ³ : 0.55%, minimum \$55.00 per transaction Domestic equities: 0.55%, minimum \$33.00 per transaction International equities: 0.825%, minimum \$75.00 per transaction Foreign currency cash transfer fee: \$25 per transaction | Deducted from your cash balance at the time of the transaction. |

¹ Transacting in international securities (including foreign exchange) will incur an additional cost for foreign currency conversion. Please refer to the Foreign exchange services in the *Additional explanation of fees, charges and costs* section for further information.

² Managed funds held for Managed Portfolios may invest may charge an exit fee or impose a buy/sell spread on a buy or sell of units in those funds. You should refer to the relevant managed fund disclosure statement for full details of their fees and charges.

³ At the time of transacting in fixed income securities at market, a "bid/ask spread" difference may be incurred. A bid/ask spread is the industry terminology for the amount by which the ask price exceeds the bid price for an asset in the market. It is considered that the difference between the amount paid for the fixed income asset and the value of the asset at the time of purchase based on its immediate selling price is an implicit cost of transacting, not charged directly to your account, and will depend on the type of instrument, size of order, timing of the transaction, execution quality, liquidity of the underlying market and actions of other market participants during execution etc.

Additional explanation of fees and costs

Administration fees

The administration fees for your account can comprise:

- » an administration fee to cover the costs of administering the assets held in your account, and
- » a custody fee to cover the costs of custody of your assets including the fees and charges of any appointed sub-custodian, and
- » an account keeping fee for the cost of maintaining and operating your account.

Any administration expenses in excess of the amount provided for in the management cost are borne or paid by us and are not an additional cost to you.

Family group linking

Family group linking allows your adviser to link your accounts with those of your immediate family members who also have accounts in the administration service. You and your family members' accounts will also receive a 10% discount on each tier of the administration fee subject to the below conditions:

- » Immediate family includes the member's: husband, wife, domestic partner, children, grandparents and siblings.
- » Immediate family excludes: all other not mentioned above
- » The discounted accounts must be advised by the same adviser
- » Each account may only belong to one family group
- » Family groups are limited to a maximum of 6 accounts
- » The minimum family group holding value is \$300,000 for the 10% discount on the administration fee to apply. This value is assessed daily.

Administration fees if you change advisers or remove your adviser

In some instances your adviser may negotiate different administration fees and/or transaction fees than what is shown in the *Fees, charges and costs* table. If so, your adviser will set this out in your Statement of Advice if you are a retail client. If you choose to change your adviser or dealer on your account, that may lead to an increase or decrease in the administration fees and/or transaction fees you pay, depending on the fee arrangement applicable to you under each adviser, which should be set out in your Statement of Advice from your new adviser. If you remove the adviser on your account, this may mean the fees disclosed in your Statement of Advice are no longer applicable to your account, which could lead to an increase in the net administration fees up to the amount disclosed in this *Fees, charges and costs* section. You may wish to consider the impact this may have on your account when making any adviser or dealer changes.

Performance fee

You may be charged a performance fee in a MDA when the performance of a Managed Portfolio exceeds a defined level of outperformance for the Managed Portfolio. This fee is a direct charge to your MDA but if paid reflects that the portfolio has been positively outperforming the benchmark.

The methodology for calculating the Performance fee may vary depending on the Investment Manager. This section outlines the methodology that generally applies to a MDA. Where your MDA uses a different methodology, this will be disclosed in the relevant Investment Mandate and where there are inconsistencies with this Guide, the Investment Mandate will prevail.

Methodology

The outperformance is the portfolio value at the end of the performance period (after all fees but before performance fees) less the notional value had the investor funds accumulated at the benchmark.

The outperformance must be positive for a performance fee to be paid. Any underperformance is carried forward to the next or subsequent performance periods where, after indexing by the benchmark returns, it is offset against future portfolio performance.

Performance periods are half-yearly ending on 31 December and 30 June. Returns exclude any franking credits.

Performance Fee example: \$500,000 investment

This example uses a portfolio invested for 6 months assuming:

- » the portfolio balance is \$500,000 at the beginning of the Performance Period
- » the portfolio balance is \$550,000 at the end of the Performance Period (after all fees but before the Performance Fee for that period)
- » the benchmark returned 6% during the 6-month Performance Period
- » no other capital was contributed into or withdrawn from the portfolio
- » a Performance Fee of 10%.

The Outperformance is calculated as:
 $\$550,000 - (\$500,000 \times 1.06) = \$20,000$

The Performance Fee is calculated as:
 $\$20,000 \times 10\% = \$2,000$

For the avoidance of doubt, where the performance of a managed portfolio in respect of an account is negative at the end of a performance period (which has ended due to the portfolio being closed), the negative performance in respect for that portfolio is extinguished.

It is possible that at the time of the mandate, the Managed Portfolios are new with no performance history, therefore an estimate performance fee cannot be provided. In future periods if the portfolios outperform the benchmark a performance fee will be incurred according to the above calculation methodology.

Indirect Cost Ratio (ICR)

If a Managed Portfolio's investment universe includes assets such as units in managed funds, exchange traded funds (ETFs) or listed investment companies (LICs), the issuers of those financial products may charge management costs (including performance fees) and transactional or operational costs. Those costs are deducted from the fund or other investment vehicle, so they are indirect costs to holders of those investments and are not charged to your account. You should refer to the relevant product disclosure document for full details on the fees and costs charged by any managed funds, ETFs or LICs held. The indirect costs associated with investing in these underlying securities is the ICR and is expressed as a percentage of the net asset value of the unit of investment. The ICR is a reasonable estimate based on the previous financial year and forward-looking portfolio allocations.

We may update the ICRs from time to time via a notice on the Mason Stevens website. Please refer to the *Continuous Disclosure Updates and Information* page.

Foreign exchange services

Mason Stevens provides you (via your Self-Directed Portfolio), with the capability (if required) to instruct and execute on foreign exchange transactions.

In the provision of such activities, Mason Stevens incurs specific expenses which enables us to provide the most efficient and cost-effective service. The fee to you can be up to 0.55% on the value of the transaction.

In some instances your adviser may negotiate different transaction fees than what are shown above.

Differential Fees

We may negotiate differential fees with wholesale clients (as defined in the *Corporations Act*). Accordingly, a separate investment mandate agreement may be entered into with each investor.

Adviser fees

Your adviser may receive fees for advice services to be provided to you. You can negotiate the amount of fees payable with your adviser. Your instructions to pay your adviser must be provided to us in writing, through the online application process or in subsequent written communications to us. By completing the online application process and accepting its terms and conditions or by signing other communications to us, you direct and authorise us to debit your account to pay the fees you specify to your adviser.

Changes to your adviser fee arrangements

Your adviser fee arrangements may change or cease in some scenarios, including but not limited to:

- » you change to a new adviser who may be licensed under the same or a different dealer group
- » your adviser changes dealer group
- » you cease to have an adviser, and
- » you do not renew an ongoing fee arrangement with your adviser.

It is important that you inform us if there are any changes to the fee arrangement with your adviser or their dealer. Otherwise, we may cease paying the fees under the existing arrangement. Any fees accrued during the month will be paid to the adviser who is recorded against your account at the end of the month.

6] MANAGING YOUR MDA

Investing into your MDA

Please refer to the Investment Mandate for your selected Managed Portfolios for details on the minimum amount required for your initial and ongoing investments into your MDA.

Once your account is established to invest in your MDA, cleared funds are invested into assets at weightings advised by the Investment Manager, consistent with the objectives and strategy of the Managed Portfolio which you have nominated. The Investment Manager is responsible for advising on the execution of the transactions to invest your Managed Portfolio using brokers or other intermediaries approved by Mason Stevens who will execute upon these instructions.

Generally, your initial investment amount and any subsequent contribution is invested within 10 business days, although the Investment Manager will use its discretion to advise on implementing the strategy within a timely manner but generally take no longer than 30 days. In implementing the strategy the Investment Manager considers factors such as market conditions, availability and liquidity of investments, upcoming new issues and economic parcel sizes.

In managing your account to follow a Managed Portfolio, small uneconomic transactions will generally be avoided and a minimum transaction size advised by the Investment Manager may be applied. Purchases and sales of assets resulting from the management of multiple portfolios may be aggregated with those of other MDAs so that only transactions for the net changes are implemented across all relevant portfolios in all the MDAs, subject to minimum parcels and denominations as set out in the assets' disclosures.

Any costs associated with the purchase and sale of assets will be apportioned between all relevant MDAs.

The weightings of the assets in an MDA will be managed with an allowance for the value of the holding to differ from target weightings. Variations can also occur in the composition of your MDA to the target weightings outlined in the relevant Investment Mandate due to practical issues associated with investing. Factors such as additional investments, withdrawals and the payment of dividends, coupons and interest may affect the cash holding, the composition, and performance of your MDA. The variations in the composition and performance of your MDA may also differ from other clients' MDA following the same Managed Portfolios.

Any additional investment amounts may be held in cash until Mason Stevens under the advice from the Investment Manager undertakes the next rebalance of the Managed Portfolio. The timing of the investment of those cash funds is advised at the discretion of the Investment Manager.

Redemption amounts

You may make a partial redemption from your MDA at any time by notifying Mason Stevens, subject to maintaining the required minimum balance for the Managed Portfolio.

Mason Stevens will process the redemption within one business day after the day we receive a valid instruction from you or your authorised representative, subject to exchange procedures and trading conditions.

If your instruction is to exit from following the Managed Portfolio, you will incur transaction costs on the sell down of the securities held within the MDA. No additional charges or levies will apply, however, you may incur a capital loss or be liable for Capital Gains Tax as a result of the exit.

Mason Stevens strongly recommends that you obtain your own tax advice as the result of any withdrawals may vary your tax situation depending on your individual circumstances.

Contributing to your MDA

You can add to your MDA by contributing cash or assets. If you wish to transfer in assets to be held within an MDA, decisions relating to those assets will be advised by the Investment Manager from the time the assets become registered in the name of the sub-custodian and transferred into your account. The assets within your MDA are held and managed under the terms of your MDA Contract and you remain the beneficial owner of the assets. Not all securities can be transferred into a MDA. Your adviser will confirm if any of your existing investments cannot be transferred.

Cash holdings and income

Each MDA has a cash holding. Income received from assets held in your MDA will be credited to the cash holding of that MDA. You can elect to sweep income from your MDA into the cash balance in your Self-Directed Portfolio as the income is generated. Please speak to your adviser if you wish to use this functionality.

At the discretion of the Investment Manager, income may be advised to be used to add to existing investments in the Managed Portfolio, invested in a new asset, or held in cash. Mason Stevens will maintain the minimum cash holding of your account by selling or redeeming investments if necessary, after taking into account any income received. Please note that the sale or redemption of these investments may result in capital gains and losses being realised.

Interest is calculated on the daily balance and paid monthly at the rate determined by Mason Stevens and as notified to you and your adviser through updates on our website from time to time.

Corporate actions and voting

You are responsible for making decisions on any corporate actions arising from assets held in your SDP, and for direction of voting at shareholder meetings. The Investment Manager is responsible for making such decisions in relation to assets held in your MDA.

Corporate actions include:

- » participation in share buy backs or takeover offers
- » rights issues
- » options, and
- » any instruments that has attached holder voting rights.

Mason Stevens as the MDA Provider may receive reports, confirmations and other information relating to the assets held in your Managed Portfolios from companies, brokers and other parties with such information being retained by Mason Stevens.

Ongoing management

When you nominate a Managed Portfolio, you are instructing Mason Stevens to ensure that your MDA is invested in accordance with the Investment Strategy for the Managed Portfolio. You authorise the Investment Manager to make investment decisions within the investment parameters of the particular Managed Portfolio. This includes buying and selling assets, acquiring and redeeming units and responding to corporate actions and dividend elections if applicable.

Should you wish to avoid investments in a particular company or industry you must provide written notice of your preference to your adviser. This will be processed by Mason Stevens once it receives this instruction from your adviser. If as a result of your instructions your portfolio weighting substantially deviates from the parameters outlined in the Investment Mandate, this may be treated by Mason Stevens as terminating your relevant Investment Mandate. In such event, Mason Stevens will give effect to that termination either at the end of the month in which it receives your instructions or in the subsequent month.

7] REPORTING

Online reporting

Once your account is activated you will gain access to the Service's online portal where you can view a variety of reports relating to your account and underlying holdings. Online reporting allows you to view daily reports for your account as at the previous business day that show:

- » transactions affecting your account such as any purchases or sales in your investments
- » income transactions including franking credits and withholding tax
- » account valuation
- » realised and unrealised capital gains.

The online account valuation uses 20-minute delayed prices for domestic listed securities. These are supplied by independent financial data companies. Any unlisted investment held in your account will be valued at least weekly if practical. For unlisted securities, Mason Stevens will provide a price which it reasonably considers reflects the market price of the security, or if it is unable to reasonably determine a market price, it will apply a best estimate of a fair price.

Occasional downtime for maintenance of the website will delay your access and will be kept to a minimum.

Annual Report

On an annual basis, you will also receive a report for your account that includes:

- » realised gains and losses from the sale of investments
- » income received from investments
- » franking credits received
- » income and expenses
- » other tax components such as foreign income deferred tax, TFN withholding tax and other items which relate to income received from your investments.

The annual report will assist in the preparation of your tax return. In your report, Mason Stevens will provide you with an annual statement and important information that will assist you and your accountant in determining your tax obligations. Since taxation depends on your own circumstances, you should consult your tax agent or accountant when completing your return. The Annual Report is prepared on the basis that you are an Australian resident for income tax purposes and you hold investments on capital account. If you are another entity type or hold your investments on revenue account or as trading stock, please seek independent tax advice. Mason Stevens do not provide tax or legal advice.

The annual report will generally be available by the end of September each year and will include a statement from the auditors in relation to the review of internal controls procedures relating to annual investor statements. We will make this report and statement from the auditors available through the online portal.

8] TAXATION

Taxation

As the beneficial owner of the assets held in your account, all income, capital gains and capital losses and their taxation consequences are passed onto you or are attributable to you.

After the end of the financial year you will be provided with details of income, capital gains or losses, tax credits and other items to help you to complete your tax return.

Tax file number or Australian Business Number

Failure by an investor to quote an ABN (if eligible to quote an ABN) or TFN or claim an exemption from providing a TFN, may result in Mason Stevens being required to withhold tax on gross payments made (or amounts attributed) to investors at the top marginal tax rate (plus the Medicare levy).

In respect of non-resident investors, withholding tax may be required to be applied on certain income amounts distributed or attributed to investors. You need to notify Mason Stevens when your tax residence status changes.

Tax accounting method

Capital gains tax position can be viewed within your account. Holdings of an investment will be sold starting with the highest cost parcel held over 12 months. This tax accounting methodology is known as long term, highest cost method.

9] ADDITIONAL INFORMATION

General

Any instructions for your account must be in writing and provided directly to Mason Stevens or through your nominated authorised person (e.g. your adviser).

Electronic instructions

In sending any electronic instructions, by the terms of the Service you release Mason Stevens from and indemnify Mason Stevens against all losses and liabilities arising as a result of processing an instruction that includes your account number and a signature that is apparently your signature or that of an authorised signatory on your account.

You also agree that neither you nor anyone claiming through you has any claim against Mason Stevens or the appointed sub-custodian in relation to any payment or action. You bear the risk of a fraudulent withdrawal request made by a person who has access to your account number, signature, email account or your login details and password to the online portal.

Period of operation of the Investment Mandate

The Investment Mandate for your selected Managed Portfolios continue in force until either party gives a written notice of termination to the other party of the MDA Contract.

Please note that if we give you notice of changes to the Investment Mandate, your MDA Contract continues until you give notice of termination.

Also, if you instruct us to vary your MDA from the Managed Portfolio selected, we may treat that as your notice of termination of your Managed Portfolio unless we tell you otherwise.

Your MDA will be managed in accordance with the terms of the Investment Mandate.

Continuous disclosure updates and information

Mason Stevens may from time to time use its website (masonstevens.com.au) to provide updates on its Investment Mandates. For any material changes to the Investment Mandate you will also be notified in writing.

The *Continuous Disclosure Updates and Information* page can be found under the "Resources" tab on the website.

Privacy

We collect your personal information to verify your identity as part of the account application process. Any personal information obtained is collected, stored and disclosed to any third parties in accordance with the *Privacy Act 1988* (Cth), the Australian Privacy Principles (APPs) and the Administrator's Privacy Policy.

For further information of our Privacy Policy please refer to the Mason Stevens website, masonstevens.com.au.

Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

In accordance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth), Mason Stevens is required to collect information with respect to the identity of all applicants (including any third parties) in order to determine the beneficial owners of all accounts. As such we may be required to verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so. Where you supply documentation as part of the account application process relating to the verification of your identity, Mason Stevens keep a record of this documentation for 7 years. If you do not provide the requested documentation there may be a delay in opening your account or processing your instructions.

Under the provisions of the AML/CTF Act, we also have the right to not provide a designated service under certain circumstances.

Foreign Account Tax Compliance Act (FATCA)

FATCA is the United States (US) tax legislation that assists the US Internal Revenue Service (IRS) to identify and collect tax from US residents for tax purposes that invest in certain financial accounts through non-US entities. If you are a US resident for tax purposes, you should note that Mason Stevens is a "Foreign Financial Institution" under FATCA. Mason Stevens intends to comply with its FATCA obligations, as determined by either the FATCA regulations or the inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA and any Australian laws and regulations relating to the IGA. Australia has entered into an IGA with the US. Under these obligations, Mason Stevens will have to obtain and disclose information about certain investors to the ATO or IRS. In order for Mason Stevens to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (if applicable).

Common Reporting Standard (CRS)

The Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australia has signed the OECD Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. This agreement enables CRS information to be exchanged between jurisdictions' tax authorities where relevant legislation has been adopted. Mason Stevens is required to collect certain information about foreign tax residents to provide it to the Australian Taxation Office (ATO). The ATO may pass this information on to tax authorities in other jurisdictions who have adopted the CRS. The requirements are similar to those which exist under FATCA, however, there are a greater number of countries in respect of which the ATO may provide information to the respective tax authorities.

Conflicts

Mason Stevens has a contractual arrangement with the Investment Manager to support Mason Stevens with the administration and custody in relation to the operation of the Service. The Investment Manager may be entitled to receive a fee under this arrangement. In addition, Mason Stevens pays the Investment Manager a fee for its role as outlined in the relevant Investment Mandate. Mason Stevens also charges its investors fees for the services Mason Stevens provides.

Companies and personnel within the Mason Stevens group undertake asset management activities which may provide the Investment Manager the access to participate in transactions for various securities and financial products across different asset classes. These securities or financial products may be held in the Managed Portfolios offered as part of the Service. In these transactions Mason Stevens may introduce such investment opportunities to be considered by the Investment Manager for investment. In addition, Mason Stevens will also provide the execution capabilities for such transactions as detailed in the Investment Mandate. Through the provision of these transactional services, Mason Stevens and the Investment Manager may be entitled to receive fees on certain transactions.

Outside of this arrangement, Mason Stevens does not have any relationships or associations which could be expected to influence the provision of the Service.

Mason Stevens may from time to time offer financial products and other services outside of this Service and these will be disclosed separately. Mason Stevens is obligated to act honestly and in the best interests of its clients, exercise due care and diligence, prioritise its clients' interests and not use any information obtained to its own advantage or to cause detriment to the client.

Dispute resolution

Mason Stevens has established an internal process for handling complaints with the view to ensure the prompt, fair and effective resolution of complaints. If you have a concern or complaint, please contact us so that we can investigate and try to resolve the matter. We aim to resolve most issues within five business days.

If you believe your complaint has not been satisfactorily dealt with, or if you have not received a response, within 45 days, you may wish to contact the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Mason Stevens is a member of AFCA (our membership number is 15155). The contact details for AFCA are:

Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

W: afca.org.au
E: info@afca.org.au
T: 1800 931 678 (free call)

Contacts

Please contact us or your adviser if you have any queries or require further information.

Our contact details are:
21/9 Castlereagh Street, Sydney NSW 2000

W: masonstevens.com.au
E: wealth@masonstevens.com.au
T: 1300 988 878

MASON STEVENS

Managed Discretionary Account (MDA) Service Terms

Important information

This document sets out the MDA Service Terms for the MDA Contract between the person named as the applicant in the Application Form (**Client**) and Mason Stevens Limited ABN 91 141 447 207 AFSL 351 578 (**us/we**) and should be read in conjunction with the Investment Mandate for the specific Managed Portfolios that you have chosen. The Investment Mandate is available from your adviser.

For information on Mason Stevens and the MDA Service please also refer to the Financial Services Guide available at masonstevens.com.au/fsg

If you are unable to access the online information, your adviser or Mason Stevens can provide the information in hard copy free of charge.

1 MDA Contract

- 1.1 An agreement between Client and us for the MDA Contract is formed when we accept Client's application in an Application Form, as recorded in our records without express notice of that acceptance given to Client (and without requiring any signature or other execution by or on behalf of us or Client).

Client accepts that the agreement is made in this manner and that we rely on Client's acceptance of this.
- 1.2 Acceptance of Client's Application Form is in our sole discretion.
- 1.3 The MDA Contract is comprised of the following:
 - (a) the Application Form
 - (b) these MDA Service Terms
 - (c) each Investment Program which is made by or agreed to by Client and us from time to time.
- 1.4 For the purpose of resolving any inconsistency between the documents specified in clause 1.3, the order of precedence (with highest priority first) is:
 - (a) Investment Program
 - (b) these MDA Service Terms
 - (c) the Application Form.

2 Investment Program

- 2.1 The Investment Program is comprised of the following:
 - (a) the Investment Mandate selected by Client in the Application Form
 - (b) if you are:
 - (i) a retail client – all of that part of the Statement of Advice (if any) provided to Client under the heading "Investment Program" which refers to that Investment Mandate, including any documents or other material incorporated by reference in that section of the Statement of Advice. By Client's Application Form, Client authorises the provider of the Statement of Advice to disclose a copy of all or part of the Statement of Advice to us before and after the MDA Contract is established so we may review it, store a copy of it and use that for any and all purposes of establishing, managing and terminating the MDA Contract as set out in these MDA Service Terms and for our compliance with the ASIC MDA Instrument.

- (ii) a wholesale client – later changes to the Investment Mandate that we notify or which you and we agree on. (For clarity, this clause incorporates those documents or parts of documents into the MDA Contract as initially provided or otherwise disclosed to us. No later amendments to them are effective unless they are in writing and we expressly agree to them. If no part of any Statement of Advice is provided to us, then paragraph (b) does not apply.

3 MDA Service

3.1 By the MDA Contract, Client appoints us to provide Client with the following services:

- (a) a managed discretionary account service, which includes providing one or more managed discretionary accounts (however they are described or named from time to time, including “Managed Account”) using the account service provided by us to Client as agreed from time to time

- (b) advisory services in relation to the MDA Contract and to our MDA Services
- (c) management of Client’s Property, including with discretionary authority to manage Client’s Property, as agreed from time to time by way of an Investment Mandate
- (d) dealing, advisory and management services in relation to other products or services which are not Financial Products or financial services, as agreed from time to time
- (e) all ancillary or related dealing, advisory, management and other services, as amended or varied from time to time

collectively referred to in these MDA Service Terms as the MDA Service.

WARNING:

The key areas of difference between acquiring a financial product directly and through the MDA Service are:

| Direct acquisition by you | Acquisition by you through MDA Service |
|--|---|
| You choose if to buy. | You do not choose each time. Instead, you give us the discretion to choose if and when to buy within the Investment Strategy agreed with you. |
| You choose when to buy, how to place and manage the order for your purchase including the price and limits and you can cancel the order. | We choose when to buy, how much, the price and any other order limits, so long as those features are within your authority given to us. |
| You can choose where to place your orders. | We place the orders for your account. |
| Your order is separate from any other order. | We generally make one or more orders for all clients whose Investment Mandate covers the same Financial Products. This tends to lead to cost and market price savings for all clients but it also means that larger aggregate orders might take longer to fill than your own direct order and there might be price averaging across all client orders, which can lead to price benefits or disadvantages on any transaction, though overall these arrangements are expected to benefit you. |
| You control your own decisions whether to follow an investment strategy or to change it. | We must follow the Investment Mandate agreed with you, which includes the Investment Program and the Investment Strategy for the Investment Mandate. You rely on us to manage your portfolio within the terms of each Investment Mandate. |
| You decide if and how to respond to corporate actions on your investments. | We will exercise our discretion when managing corporate actions within the Investment Mandate agreed with you. |
| You control where and how your property is held, which may be in your name. | Our MDA Service includes custody and we appoint sub-custodians. You still have the beneficial interest in your property. The registered legal title will be in the name of the sub-custodian or our name. This may lead to some shareholder benefits not being available and there are risks with holding your property in custody. |

4 Our obligations

4.1 The following obligations are subject to any specific obligation expressly set out in the MDA Service Terms and to any statutory obligation which may not be affected by the MDA Service Terms. We will:

- (a) perform our obligations under Corporations Act section 912AEB (in relation to retail clients) as applicable to us and the MDA Contract honestly and with the degree of care and diligence that a reasonable person would exercise if they were in our position in providing the MDA Service to Client
- (b) act in Client's best interests in performing our duties in relation to the MDA Services and, if there is a conflict between Client's interests and our interests in performing those duties, give priority to Client's interests
- (c) not use information which we have obtained by providing MDA Services for the purposes of gaining an improper advantage for us or to cause detriment to Client
- (d) comply with:
 - (i) each Investment Mandate including the investment strategy in it unless otherwise agreed in writing by Client
 - (ii) any representations we make to Client in a financial services guide given to Client about how we will provide the MDA Service unless otherwise agreed in writing by Client
- (e) except to the extent stated differently in an Investment Mandate, we must consider exercising any right that relates to Client's Property and we may act in our discretion, subject to the Investment Mandate and to our other duties set out in these MDA Service Terms, and
- (f) compensate Client for any loss due to any act or omission of any agent or other person engaged in connection with the MDA Service, other than that act or omission of an external MDA custodian or external MDA adviser or a person acting on behalf of either, as if the acts or omissions were our acts or omissions.

5 Client's general obligations

5.1 Client must ensure that:

- (a) the information provided by Client in the Application Form is complete, true and correct as at the time it is supplied
- (b) we are promptly notified in writing of any changes to the information in the Application Form

(c) we are promptly notified in writing of any changes to Client's authorised representative because we may rely on Client's written notification until Client tells us otherwise despite any other information we might receive from other sources, and

(d) Client provides us with any information which we require if we decide that we need that information to perform the MDA Service or to comply with law or our internal compliance policies and procedures even if we choose not to tell Client, or we are not allowed to tell Client, the reason for using the information.

5.2 If Client makes the agreement as a body corporate, Client acknowledges that we may at any time request a guarantee or an indemnity (or both) from any or all of Client's directors to secure Client's obligations under the agreement.

6 Account

6.1 A reference in these MDA Service Terms to Account is to the entire account relationship between Client and us which is separately documented and agreed. We will only provide MDA Services by using Client's Account.

6.2 A reference in these MDA Service Terms to a Managed Account is a reference to an account provided by us within the entire Account for which we have Client's authority to manage at our discretion on these MDA Service Terms.

7 Client Acknowledgments

7.1 Client acknowledges and agrees that, in respect of any Managed Account and any MDA Services provided to Client:

(a) We do not assure, guarantee or represent to Client that any particular investment performance will be achieved, that the capital invested by Client will be maintained or that any particular investment or trading strategy will obtain assured outcomes or meet any performance criteria.

(b) The discretionary trading of Financial Products is speculative and carries with it the risk of loss of some or the entire amount traded and that Client's liability is not necessarily limited to the balance of the account (or of the entire Account) but may include Client's full liability arising from trading in Financial Products on terms authorised by Client.

(c) We are authorised, in operating the account, to deal in Financial Products on Client's behalf, without any prior approval from, or consultation with, Client in respect of the purchase, sale and other management of Financial Products, including their exercise or roll-over (subject to the MDA Contract).

- (d) Past performance of any mandate, strategy or investment approach is not a guarantee, assurance or representation of future success, whether regarding accounts of any kind, any investment or trading strategy or mandate or any service or investment.
- (e) Dealing in Financial Products involves the risk of substantial loss as well as the prospect of profit.
- (f) Income (if any) earned for the Account may be irregular and the timing of that income might not suit Client's requirements. Income earned outside of Australia may be subject to tax laws applying in those other jurisdictions, including obligations on the payer to make withholdings or to disclose information to tax or other authorities. Income earned in other currencies may fluctuate in unrealised value until converted into Australian currency, and any exchange in currencies may incur losses, charges (including by way of spreads) or fees, reducing the amount available to Client.
- (g) We will not be responsible for any loss or liability incurred by Client if we act or refrain from acting within the discretionary terms authorised by Client, or if any dealing or proposed dealing is interrupted, unable to be completed or unable to take place due to the failure of any telephone, computer or other electronic service or any other third party act or omission.
- (h) We are not obliged to exercise any right or other benefit attached to or granted to a holder of any Financial Products held for Client in the Account (including, but not limited to, voting rights, participation in rights issues, share purchase plans, buy backs, takeover offers or schemes of arrangement) and will not be liable for failure or delay in exercising any of those rights on Client's behalf.
- (i) We have complete discretion to manage Client's Property (subject to the MDA Contract and to our duties and other obligations which by law cannot be excluded by the agreement). In exercising this discretion, we might expose Client to a range of risks including risk associated with changes in economic cycles, interest rates, investor sentiment and political, social, technological and legal factors as well as changes in a company's management or its business environment as described. These risks may affect the value of Client's Property and the return which Client receives from that Property.
- 7.2 Client is and remains solely liable and responsible for all acts and omissions of its authorised representative even if the act or omissions of the authorised representative were outside their actual or ostensible authority or were in error, or were fraudulent, negligent, in breach of fiduciary duties or criminal.
- 7.3 Client agrees not to make, and waives any right Client may have to make, any claim against us for any loss incurred or suffered by Client which may arise in connection with any act or omission by Client's authorised representative of whatever kind. This clause may be pleaded as a bar to any claim made by Client in respect of asserted liability for us to pay or otherwise compensate Client or restore Client's Account.
- 7.4 We may store copies of documents disclosed to us by or on behalf of Client (including any part of any Statement of Advice) and use or rely on those records to perform our obligations under or in respect of the MDA Contract or in relation to actual or reasonably potential or threatened litigation, administration, enforcement or regulatory proceedings, including to enforce our rights and to defend our interests; for arranging and maintaining insurance and otherwise in accordance with our privacy policy from time to time.
- ## 8 Authorities
- 8.1 If Client has applied for an MDA Contract, Client authorises us to establish a Managed Account for each Investment Program and to operate and to manage at our discretion Client's Managed Account in accordance with the Investment Program for the respective Managed Account, subject to any instructions issued by Client to us in writing, including in the Application Form. This includes (and is not limited to):
- selection of investments within the limits described in the Investment Mandate
 - selection of timing of acquisitions and disposals of the investments, including delaying or deferring decisions to transact, whether for the purposes of implementing the Investment Mandate's investment strategy or for general reasons of acting in the best interests of our clients generally
 - adjusting, delaying or declining investment allocations within the Investment Mandate
 - interpreting the Investment Mandate
 - arranging orders, including allowing accumulation, aggregation and price averaging with orders for other clients
 - decisions in relation to corporate actions on investments in the Managed Account, and

(g) managing margined Financial Products, limited recourse and non-limited recourse Financial products and any other complex Financial Products; establishing, operating and terminating accounts and other services or Financial Products provided by other persons, including sub-custodians, brokers, settlement agents, clearing agents, deposit product providers, and outsourced service providers.

8.2 We do not assure or guarantee the performance of any particular investment, return profits or maintenance of Client's investment arising from any transactions or decisions made under this authority.

9 Fees, charges and expenses

9.1 Client owes and must pay the fees and charges, including our account fees and brokerage fees, in relation to the MDA Service provided to Client. Our fees and charges applying at the commencement of the Agreement will be disclosed to Client prior to the commencement of the MDA Service to Client.

9.2 Client owes and must pay the expenses and reimburse us for any costs, charges and expenses (including stamp duty and GST on transactions made on Client's behalf) and any fees imposed by a Facility and charges, in all of those cases directly or indirectly arising in relation to transactions for Client or arising from Client's defaults including Client's failure to pay for or settle Client's transactions or in relation to services provided by other persons which are obtained for the benefit of Client. The amounts of expenses or reimbursements cannot be notified in advance but in any case will be as determined by us as being reasonably based having regard to the actual costs or, if that cannot be reasonably ascertained, as we reasonably determine should be allocated to Client. For clarity, this clause does not require Client to reimburse or otherwise pay us for taxes imposed on us for our taxable income.

9.3 We may change our fees and charges from time to time by written notice to Client. The notice may be given by email, letter, message posted to Client's Account or our website service, oral notice or any other effective means of giving notice and the notice will be effective whether or not Client actually read or accessed the notice. We will give not less than seven (7) days' notice of a change taking effect. Client's continued use of the MDA Service after the change takes effect is confirmation of Client's acceptance of the change in fees or charges. If Client does not agree with the change, Client must give us written notice to close Client's Account.

9.4 Client authorises us to withdraw from Client's Account such amount as is necessary to pay Client's fees, charges, expenses and reimbursement for expenses and other amounts owing by Client to us under this agreement:

- (a) at such times as is agreed with Client including by way of notification to Client or by a provision in an Investment Mandate accepted by Client, and
- (b) if not expressly agreed as provided for above, for transaction fees or charges, as they are incurred and otherwise monthly in arrears.

9.5 GST is payable on most fees, charges and payment for expenses and other amounts owing under the agreement. Unless otherwise specified, the fees and charges quoted or notified to Client are stated exclusive of GST. If GST is payable on any supply made by us under the agreement, Client must pay us an additional amount equivalent to the GST at the time that payment to us is due.

10. Client's warranties and undertakings

10.1 Client warrants and, if applicable to the obligation below, undertakes that:

- (a) Client has the power to enter into and to perform this agreement.
- (b) Client is not under any legal impediment or other impairment which makes, or could make, the terms of this agreement void, voidable or unenforceable.
- (c) Client is not insolvent, under any form of external administration nor has Client agreed to make a settlement with, assignment to, or compromise with, its creditors.
- (d) Client has disclosed all relevant information to us to allow us to perform to the best of our ability our duties to Client.
- (e) All of the statements made by Client in the Application Form, or otherwise for the purposes of applying for this Agreement to be made or for establishing the Account, are true and correct and not misleading or deceptive.
- (f) Client has had a reasonable opportunity to obtain all advisable or necessary independent advice for the purpose of deciding whether to enter into this agreement.

10.2 If Client enters into the agreement as a trustee, Client warrants in Client's personal capacity:

- (a) the trust has been duly constituted and is validly existing in compliance with all applicable laws and its trust deed has been duly executed and duly stamped, in each case in accordance with the laws of each State and Territory of Australia unless otherwise expressly notified to us
- (b) the trust deed and its constituent documents give the trustee power to carry on all of the business activities now conducted by it in any capacity and to enter into and to comply with its obligations under, and to carry on the transactions contemplated by, this agreement

- (c) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the trust deed, any other document or any law for the entry into, observance and performance by the trustee of its obligations under this agreement
 - (d) each of Client's obligations under, and the transactions contemplated by, this agreement constitutes binding obligations and is completely and lawfully enforceable against the trustee and in respect of the trust's property in accordance with their terms
 - (e) nothing done under this agreement or any instructions given by Client is or will be a breach of any trust
 - (f) the assets of the relevant trust are, and at all relevant times will be, sufficient and available to the trustee in that capacity to discharge Client's obligations and liabilities under this agreement
 - (g) Client is the only trustee of the trust unless all trustees are described in the Application Form and any later change is promptly notified to us;
 - (h) no property of the trust has been re-settled, set aside or transferred to any other trust or settlement
 - (i) the trust has not been terminated, nor has the date or any event for the vesting of the trust's property in its beneficiaries occurred
 - (j) no determination has been made to distribute the trust's property on a date which is earlier than the latest date under the trust deed by which the trust's property must be distributed
 - (k) there is no conflict of interest on the trustee's part in entering into this agreement and performing its obligations under it
 - (l) it has an unrestricted right to be fully indemnified, reimbursed or exonerated out of the trust's property in respect of any losses or liabilities incurred by it as trustee and the trust's property is sufficient to satisfy that right of indemnity, reimbursement or exoneration, and
 - (m) it has complied with its obligations in connection with the trust.
- 10.3 Each warranty by Client in this clause or elsewhere in this agreement is deemed to be repeated on each day that this agreement subsists.

11. Limitation of Liability

11.1 Preserved Liability means:

- (a) any liability which by law may not be excluded, limited or qualified
- (b) any liability, or duty for which we are liable, specified in the agreement which we have expressly agreed may not be excluded, limited or qualified.

11.2 Subject to a Preserved Liability and except if directly due to our breach of law, negligence, wilful default of the agreement or our dishonesty, to the extent permitted by law, we are not liable to Client for the following:

- (a) our acts or omissions in reliance on Client's obligations under the agreement, Client's instructions or any other information we have relied upon provided by Client including by Client's authorised representative, agent or other representative
- (b) events or circumstances beyond our reasonable control, including (without limitation) acts of agents and other service providers used by us to perform the MDA Service, currency restrictions, disruption of the normal services by others, liquidation or insolvency by persons who are not related bodies corporate, acts of war or terrorism, riots, revolution or other similar events or acts
- (c) an act or omission required by law or by a court of competent jurisdiction
- (d) any actual or asserted fiduciary duty which is not expressly stated in this agreement
- (e) any payment having been made to a fiscal authority, including but not limited to any taxes, stamp duty or government charges
- (f) any act or omission of an operator of a securities title, transfer or holding system, and
- (g) economic, indirect or consequential loss, whether or not those losses overlap (including, in any case, but not limited to loss of anticipated profits or savings), whether or not reasonably foreseeable.

11.3 Subject to a Preserved Liability, we are not responsible for any loss or liability incurred by Client to the extent arising from us acting or refraining to act within the discretionary limits authorised by Client, or if any dealing or proposed dealing is interrupted, fails to complete or take place due to the failure of any telephone, computer or other electronic service or third party act or omission.

11.4 To the extent permitted by law, our aggregate liability to Client under the agreement is limited to the fees Client has paid us in the two years preceding the breach or to the supply of the MDA Service again, as we choose. If it is determined by a court that by law we are not permitted to disclaim or to limit our liability to Client or we are not permitted to limit the amount of compensation we may be liable for, or any of those limitations are unenforceable, then those limits are severed from this agreement as though they were not in it from the beginning of this agreement.

12. Indemnities

12.1 Subject to a Preserved Liability, Client indemnifies us against all losses, claims, damages, costs and expenses (including all reasonable legal expenses actually incurred) or any other remedies arising directly or indirectly as a result of:

- (a) taxes and other government levies or charges imposed on Client's Property or transactions made for Client
- (b) Client's breach of this agreement
- (c) Client's breach of any law or regulation
- (d) us acting in accordance with Client's instructions or relying on information given by Client or Client's behalf, or
- (e) claims of any kind by any third parties in relation to the MDA Service or Client's Account,

except to the extent the claims, damages, costs and expenses were a result of our negligence, wilful misconduct or fraud or our breach of this agreement (including breach of any duties however they arise). This provision survives termination of the agreement.

13. Termination

13.1 You or we may terminate the MDA Contract by giving written notice to the other which is not more than 2 business days. The means of giving the written notice includes but not limited to the means set out in the Account Terms.

13.2 The MDA Contract will be terminated if ASIC notifies us that we may not rely on an exemption relating to the MDA Service. We will tell you that as soon as practicable.

13.3 Upon termination:

- (a) we must not exercise any discretion in relation to Client's Property but must comply with these MDA Service Terms as to how to deal with any Client's Property
- (b) Client is responsible for giving express instructions to us to unwind Client's positions to transfer them to the control of Client or another person nominated by Client
- (c) we will use all reasonable endeavours to transfer to Client or Client's nominee (acceptable to us) all of Client's Property and rights in relation to Client's Account, subject to Client providing sufficient details and instructions for this to occur
- (d) if Client does not provide appropriate instructions regarding the closure of Client's Account, we will close Client's Account (including closing at a time of our choosing Client's open positions and selling Client's other Financial Products at Client's cost and risk) and send (or attempt to send) Client payment for any surplus after deducting all fees, charges and expenses or indemnified amounts

(e) Client acknowledges that it may take some time to unwind Client's positions depending on factors such as the relevant markets and liquidity and that will be at Client's cost and risk

(f) Client owes and must pay us all our accrued fees, charges and expenses and other costs for reimbursement or indemnification

(g) we may deal with Property in Client's Account to settle or to set-off any existing obligations under the Account Terms

(h) unless otherwise specified, we will promptly deliver to Client all final accounts and reports in relation to Client's Account after we transfer to Client's control Client's Property except for tax reporting which will not occur until in the ordinary course following the end of the financial year in which termination occurs

(i) our rights and duties in respect of any documents disclosed to us by or on behalf of Client (including any part of any Statement of Advice) survive termination, and

(j) termination will not affect any transaction properly commenced prior to termination, nor any other claim which either party may have against the other.

13.4 We must have and maintain written policies:

(a) setting out the steps we will take to ensure that if the MDA Contract is terminated, the Client's Property will be dealt with in accordance with the requirements referred to in clause 13.3, and

(b) that are available to you free of charge on request.

13.5 Termination of the authority to manage does not terminate obligations which accrue up to the time of termination, including any fees for management. Such obligations (including payment obligations) survive termination of this agreement.

14. Laws and regulations

14.1 All dealings between Client and us are subject to the following (without limiting other applicable laws):

(a) *Corporations Act 2001* (Commonwealth) (including the relevant regulations, ASIC instruments and other legislative instruments), and

(b) *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Commonwealth)

(c) rules, customs, usages, practices and regulations of any Facility which is relevant to Client's transactions.

14.2 To the extent any of the laws and regulations referred to in clause 14.1 or otherwise applying is inconsistent with the agreement, the laws and regulations prevail.

15. Complaint Handling

- 15.1 If Client has any complaint about the MDA Service, we will follow our dispute resolution policy.

16. General

- 16.1 Time is of the essence of performance of a party's obligations under this agreement. If this agreement specifies when the party must perform an obligation or the last time to perform the obligation, the party must perform it by the time specified. Each party must perform all other obligations promptly.
- 16.2 Client must pay us any sum due under this agreement, including those described in clause 12, fully without deduction or set-off (and irrespective of any counterclaim) whatever.
- 16.3 A reference to interest in the agreement or to a charge or expense which could include interest will be interest at a rate determined by us as being a reasonable estimate of our direct and indirect costs which give rise to that interest and related or ancillary Services. Those costs need not be interest themselves. We do not need to give reasons or evidence supporting our determinations of the rate of interest.
- 16.4 A party to the agreement may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.
- 16.5 If a party to the agreement does not exercise a right or remedy fully or at a given time, the party may still exercise it later.
- 16.6 A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under this agreement.
- 16.7 By giving its approval or consent, a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.
- 16.8 The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.
- 16.9 The indemnities and rights to be reimbursed in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity or reimbursement under this agreement.
- 16.10 All notices must be in English. Unless otherwise specified or agreed, all notices may be given by a person to the other in writing by hand delivery, email, other electronic communication service (including by our website service) or post.
- 16.11 Nothing in the agreement may be taken as giving rise to a relationship of employment, joint venture or partnership nor as to any agency except as specified in the agreement.
- 16.12 Failure or neglect by a party to this agreement to enforce any of the provisions of this agreement must not be construed as, nor may be deemed to be, a waiver of their rights under this agreement nor in any way affect the validity of the whole or any part of this agreement nor prejudice our rights to take subsequent action.
- 16.13 If Client is comprised of two or more persons, each person constituting Client is jointly and severally liable for the obligations under these MDA Service Terms. We may discharge our duties to all of the persons who comprise Client by sending notices or payments to any one of the persons. We may act on the instructions of any one of those persons.
- 16.14 An agreement, representation or warranty by two or more persons binds them jointly and each of them individually.
- 16.15 Client may not assign this agreement, because it is personal to Client. We may assign this agreement (including the benefit and the burden of it) by giving not less than twenty (20) business days' notice of that to Client.
- 16.16 Except as specified otherwise, the agreement cannot be amended or varied except in writing and either:
- (a) agreed by or on behalf of the parties, or
 - (b) by us giving not less than ten (10) business days' prior notice to Client.
- 16.17 If any term or other provision of the agreement is held by a court to be illegal, invalid or unenforceable under the applicable law, then that term or provision is to be interpreted as being severed from the agreement and the remaining MDA Service Terms will be unaffected by that.
- 16.18 The agreement is governed by and must be construed in accordance with the laws in force in New South Wales. The parties submit to the non-exclusive jurisdiction of the courts operating in New South Wales.

17. Interpretation

- 17.1 In the agreement:

Account has the meaning given in clause 6.1.

Account Keeping Fee means the cost for the general maintenance and operation of your managed account by Mason Stevens. It is an annual cost but paid monthly in arrears from your cash balance.

Account Terms means the prevailing terms applicable to the Account (other than the MDA Service terms).

Application Form means the application form, completed by or on behalf of Client, which refers to these MDA Service Terms or to the agreement to be made on these MDA Service Terms upon acceptance of the application in the form. The form may be in hardcopy or electronic form and need not be signed by or on behalf of Client in order for it to be effective and binding on Client.

ASIC MDA Instrument means ASIC Corporations (Managed Discretionary Accounts) Instrument 2016/968 made by ASIC, as amended or superseded from time to time. A reference to this instrument includes a reference to any later instrument made by ASIC which substantially replaces or supersedes this instrument.

Authorised Person means a person whom you authorise to have access to transact on your Managed Account. Any authorised person will have the same level of authority as the investor and will have their identity verified for AML/CTF compliance purposes.

Business day means a week-day in Sydney, New South Wales, other than a public holiday in Sydney.

Facility means a facility for a market or exchange in Financial Products, or for clearing and settlement of transactions in Financial Products, or for making payments for those services.

Financial Product means any financial product as defined for the purposes of the Corporations Act 2001 (Commonwealth).

GST means the tax imposed by *A New Tax System (Goods and Services Tax) Act 1999* and *A New Tax System (Goods and Services Tax) Transition Act 1999* and related tax imposition Acts of the Commonwealth of Australia.

Investment Mandate means a document of that name or description which is referred to in, and incorporated by reference to, an Investment Program.

Investment Program means a program for investing Client's Property through an MDA Service, as identified in the document which we agree with you (if you are a retail client, it will be the section of your SOA provided by your adviser under the heading "Investment Program"), as later amended with the express agreement of Mason Stevens.

Investment Sub-Adviser means Mason Stevens Asset Management (MSAM) as the Investment Sub-Adviser for the Managed Portfolio. The Investment Sub-Adviser is responsible for advising us on the day-to-day investment decisions and management of the Managed Portfolio.

Managed Account has the meaning given in clause 6.2.

Managed Discretionary Account (MDA) means the service that allows you to invest in professionally managed Managed Portfolios that consist of a portfolio of assets that follow a defined investment strategy. The investment decisions are made by an investment sub-adviser.

Managed Portfolio means a professionally managed portfolio of assets that follows a defined investment strategy and investment parameters.

MDA Contract means the contract that you enter into with us consisting of the Investment Mandate, the Investment Program, the Application Form and, if you a retail investor, the Mason Stevens Financial Services Guide and the application form.

MDA Provider means Mason Stevens as the licensed MDA Provider of the MDA Service. Mason Stevens is authorised under its Australian Financial Services Licence (AFSL) to provide MDA services.

MDA Service has the meaning given to it in clause 3.1.

MDA Service Terms means the terms set out in this document, as amended from time to time.

Preserved Liability has the meaning given in clause 11.1.

Property means all Financial Products, cash or cash equivalent, choses in action and ancillary rights held on behalf of Client (whether by us or otherwise for or in the name of, Client) or accruing to Client as a result of the MDA Contract.

Reduced Input Tax Credit (RITC) means the rules unique to the Australian GST system that allows the partial recovery of input tax credits to be made where the credits relate to certain financial supplies (sales).

Self-Directed Portfolio (SDP) means the separate account in your name that permits you or your authorised representative to transact directly in fixed income securities, listed equities, managed funds etc. An SDP is not an MDA.

Statement of Advice (SOA) means any document of that name or substance which provides personal advice to Client about the MDA Contract and the Investment Program. The SOA sets out the personal advice given to you by your licensed financial adviser. It must include the basis on which the advice is given and information on any payments or benefits the adviser will receive.

Transaction costs means the cost charged by Mason Stevens to execute securities market transactions on the MDA or your Self-Directed Portfolio. These costs are deducted from your cash balance at the time of transaction.

- 17.2 Words in the agreement expressed in the singular include the plural and vice versa.
- 17.3 A reference in the agreement to a document or agreement includes any variation or replacement of it.
- 17.4 Headings in the MDA Service Terms are for reference only and do not in any way affect the meaning of this agreement.
- 17.5 Unless the context requires, a reference in the MDA Service Terms to any legislation includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under that legislation or legislative provision.
- 17.6 A provision of the agreement must not be interpreted against our interests merely because these are standard MDA Service Terms provided by us.

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