

Mason Stevens Global Investment Service Guide



The Mason Stevens Global Investment Service Guide (Guide) issued by Mason Stevens Limited ABN 91 141 447 207, AFSL 351578

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Important Information

The Mason Stevens Global Investment Service (**Service**) Guide (**Guide**) is issued by Mason Stevens Limited (**Mason Stevens, we, us, our**) ABN 91 141 447 207, AFSL 351 578. The Global Investment Service is a managed discretionary account (**MDA**) service with Mason Stevens as the MDA Provider, Administrator and Custodian.

Investment Manager in this Guide means the entity that advises Mason Stevens or its delegate on the composition of the portfolios as detailed in the relevant Investment Mandate.

This Guide provides important information regarding your account including the Self-Directed Portfolio and your nominated Investment Options and Managed Portfolios (**portfolios**). Mason Stevens has appointed National Australia Bank Limited ABN 12 004 044 937 as the sub-custodian to hold client monies and most of your assets in custody, in accordance with regulatory requirements. National Australia Bank has engaged Citibank N.A. as its global sub-custodian. From time to time Mason Stevens may change the appointed sub-custodian. A copy of the Sub-Custody Deed is available for inspection at the registered office of Mason Stevens.

If you are a retail investor, you must obtain personal advice from a licensed financial adviser on whether the Service and a particular 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 portfolios you wish to invest in before making any decisions to invest.

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, subcontractors 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 Service.

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 portfolio.

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

This document should be read in conjunction with the Investment Mandate for your selected portfolios (available from your adviser) and the Mason Stevens MDA Service Terms included in this Guide (which together form the Investment Mandate). You should also read the Mason Stevens Financial Services Guide which 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.



How does the Mason Stevens Global Investment Service work?

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Mason Stevens

Mason Stevens Limited is part of the Mason Stevens group of companies (Mason Stevens Group). The Mason Stevens Group is a privately-owned financial services firm based in Sydney, founded in 2010. The Mason Stevens Group specialises in offering managed accounts supported by a comprehensive investment and administration platform, as well as bespoke investment solutions to both retail and wholesale investors.

Benefits of the Service

The Service allows you to consolidate other investments which you may hold and benefit from consolidated management and administration, execution and reporting. You can view the holdings in your accounts as well as transactions and investment performance at any time.

Suitability of the Service

To use the Service you must be provided with personal advice from your adviser determining whether the Service is suitable for you. If you are a retail client your adviser will provide you with a Statement of Advice (SOA). The Service may not be suitable for your relevant circumstances if you have provided limited or inaccurate personal information to your adviser. Furthermore, the Service may cease to be suitable should your relevant circumstances change. You should speak as soon as possible with your adviser should your circumstances change at any stage.

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 and Investment Options in your Managed Discretionary Account (MDA).

This Guide contains terms 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. Unlike investing in managed funds, investors in MDAs retain the beneficial ownership of the underlying assets of the Managed Portfolios. This means that you will be entitled to any income generated from assets held in the MDA but will also be liable for any tax consequences. There are also differences between investing in an MDA and an investor holding the assets directly. The table below outlines the primary differences between the two.

Who can open a Global Investment Service account?

The following investors may be eligible to open an Global Investment Service account:

- » individuals over 18 years old
- » joint account holders
- » companies
- » incorporated bodies (eg. strata bodies corporate, trade unions and some social or sporting associations)
- » unincorporated bodies
- » trustees (eg. for family trusts and self-managed superannuation funds), and
- » deceased estates.

	MDA Service	Direct investment
Beneficial owner	You retain beneficial ownership of all investments. You are entitled to all dividends, franking credits and distributions. The underlying investments are registered in the name of the Custodian appointed by the MDA Provider.	You retain beneficial ownership of all investments. You are entitled to all dividends, franking credits and distributions. The investments are usually registered in your name via CHESS or other market settlement system.
Corporate actions	Since the investments are registered in the Custodian's name any notices for corporate actions are sent to the Custodian. Upon set up of your account you will be required to provide standing instructions for future corporate actions which the Custodian will implement going forward.	You receive all shareholder notifications on corporate actions directly. You are responsible for communicating with the share registry directly to provide instructions on each actionable corporate action.
Administration	The Custodian structure removes the hassle of paperwork. All contract notes, holding statements, dividends statements can be handled by the Custodian and reported for you online. At the end of financial year you are provided with an annual report which provides information to assist you with your tax return.	All investor communication is sent directly to you. You will need to administer all your individual investments.



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.

If you hold an asset that is subsequently removed from the Investment Menu, you authorise us to sell down the asset and deposit the proceeds into your Self-Directed Portfolio. If the asset cannot be realised, you authorise us to transfer the asset.

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 no 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 and Investment Options

The Service allows you to invest in accordance with the parameters of one or more professionally managed portfolios (Managed Portfolios). You can also invest in Investment Options which are portfolios that each comprise one or more Managed Portfolios. 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 balance of the relevant Managed Portfolio.

Your Managed Discretionary Account Contract

If you are investing in a Managed Portfolio, you will enter into a MDA Contract and your contract will comprise:

1. MDA Service Terms
2. Mason Stevens Financial Services Guide (if you are a retail client)
3. 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 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 and the Investment Mandate, the terms of the Investment Mandate will prevail.

MDA Provider

Mason Stevens is the MDA Provider and Administrator of the Service. Mason Stevens' responsibilities include:

- » establishing your account, which includes your Self-Directed Portfolio, Managed Portfolios and Investment Options (if applicable)
- » maintaining records of investments in your Managed Portfolios and providing you with up-to-date online reporting
- » implementing transactions in accordance with your instructions or delegated authority
- » changes to your Managed Portfolios and Investment Options as instructed by the Investment Sub-Adviser
- » implementing corporate actions in response to Investment Sub-Adviser advice
- » arranging the settlement of investments in your Managed Portfolios
- » recording and crediting income on investments held in your Managed Portfolios, and
- » supervising compliance of the Investment Sub-Adviser with the Managed Portfolios and Investment Options.



Investment Sub-Adviser

Mason Stevens may appoint an Investment Sub-Adviser for the Managed Portfolios under each Investment Mandate. The Investment Sub-Adviser's responsibilities include:

- » to advise the MDA Provider on the initial asset allocations and changes to the ongoing asset allocations for the Managed Portfolios and Investment Options
- » to advise the MDA Provider on and manage the Managed Portfolios in accordance with the defined investment parameters outlined in the Investment Mandate
- » to advise the MDA Provider on the composition of the investment universe for the Managed Portfolios and advise of any changes in accordance with defined investment parameters
- » to advise the MDA Provider on corporate actions arising from any direct investments held across any of the Managed Portfolios.

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.

Changing your 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 be able to place transactions within your Self-Directed Portfolio, but 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. Without an adviser on your account, you will not be able to make elections for any corporate actions, and any mandatory corporate actions will be processed without notice to you.

If you do not appoint a new adviser on your account, Mason Stevens may, at its discretion, either transfer any holdings in your MDA to your Self-Directed Portfolio, or liquidate your assets at market value and transfer the proceeds and balance to your nominated bank account.



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	\$2,000						
Managed Portfolios	\$10,000 (unless otherwise stated in the relevant Investment Mandate)						
Investment Options	As per Investment Mandate.						
Tailored Portfolios	As per disclosure, if available through your adviser.						
Transaction minimums							
Investment Options	As per Investment Mandate.						
Managed Portfolios	<table border="0"> <tr> <td>Initial investment</td> <td>\$50,000</td> </tr> <tr> <td>Additional investment</td> <td>\$10,000</td> </tr> <tr> <td>Redemptions</td> <td>\$10,000</td> </tr> </table> Unless otherwise stated in the relevant Investment Mandate.	Initial investment	\$50,000	Additional investment	\$10,000	Redemptions	\$10,000
Initial investment	\$50,000						
Additional investment	\$10,000						
Redemptions	\$10,000						
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.						



Features	Description
Fixed income securities	\$5,000
Private equity	Subject to the disclosure for the private equity offer.
Foreign currency	Not applicable.
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	\$500 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
Regular payments	You can make payments out of your SDP cash balance monthly, quarterly, semi-annually or annually to a nominated bank account.
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, charges 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.



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 a statement of advice (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 2001 (Cth)*, 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.



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 the required minimum cash balance in your Self-Directed Portfolio at all times. It is your responsibility to ensure that the minimum cash balance is maintained. If your cash balance falls below the required minimum amount, we may 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 or around the fifth of the following month, to bring your cash holding back to the required minimum 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 and at the back of this Guide.

Trade netting

From time to time we may receive instructions from different investors to buy and sell interests in the same asset. Where Mason Stevens believes these instructions can be netted to the advantage of (or at no disadvantage to) our clients, these orders may be offset by us so that only one net order is made to purchase or sell the asset. If this occurs, and subject to the net request being accepted, investors who dispose of an asset will have that disposal effected and recorded by us. Similarly, investors who acquire an asset will have that acquisition effected and recorded by us. These transactions will be carried out in accordance with our Trade Allocation and Best Execution policy. Mason Stevens may retain any resulting transaction cost benefit, in respect of and including the buy-sell spread on the underlying assets, without disadvantaging our clients.

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 and submit to us 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.



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
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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	<table border="1"> <thead> <tr> <th>Account balance</th> <th>Rate % pa</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$500,000</td> <td>0.275</td> </tr> <tr> <td>\$500,001 - \$1,000,000</td> <td>0.220</td> </tr> <tr> <td>Above \$1,000,000</td> <td>Nil</td> </tr> </tbody> </table>	Account balance	Rate % pa	\$0 - \$500,000	0.275	\$500,001 - \$1,000,000	0.220	Above \$1,000,000	Nil	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
Account balance	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
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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 and 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. 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 Important 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: \$25.00 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: \$25.00 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 *Additional explanation of fees* section for further information.

² Managed funds held for Managed Portfolios 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.

Activity fees

You may incur the following fees from certain activities that take place on your account or assets held in your account. These fees are inclusive of GST net the effect of any reduced input tax credits and are payable to Mason Stevens Limited.

Transactional and Operational Costs	
Activity	Amount and description
Direct debit dishonour	\$35.00 per failed attempt to direct debit an account instructed by you.
Foreign currency withdrawal	\$50.00 per transaction to transfer funds to an international bank account. The fee is deducted from your cash account at the time of payment.
RTGS	\$35.00 per request to transfer cash from your Self-Directed Portfolio to a nominated bank account same day. The fee is deducted from your cash balance at the time of payment.
Other services	\$100 per hour for other services that may be performed on your account such as adjusting cost base information.



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 others 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 six 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. 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 the *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.

The performance fee is calculated on an individual portfolio basis and charged to your Managed Portfolio.

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 of the benchmark is carried forward to future performance periods and must be made up before a performance fee is payable again. Where underperformance of the benchmark is carried forward to a future performance period, the amount of underperformance carried forward will be added on to the benchmark return of that future performance period, and this will form the high-water mark for the portfolio.

Performance periods are half-yearly ending on 31 December and 30 June. Returns exclude any franking credits. The following examples assume a performance fee of 10%.

Performance fee example 1: \$500,000 investment

This example uses a portfolio invested for six 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

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

The performance fee is calculated as:
 $\$20,000 \times 10\% = \$2,000$

Performance fee example 2: \$100,000 investment

This example uses a portfolio invested for 6 months assuming:

- » the portfolio balance is \$100,000 at the beginning of the performance period
- » the portfolio balance is \$95,000 at the end of the performance period (after all fees but before the performance fee for that period)



- » the benchmark returned negative 15% during the performance period
- » no other capital was contributed into or withdrawn from the portfolio.

The outperformance is calculated as:
 $\$95,000 - (\$100,000 \times 0.85) = \$10,000$

The performance fee is calculated as:
 $\$10,000 \times 10\% = \$1,000$

Performance fee example 3: \$1,000,000 investment

This example uses a portfolio invested for 12 months, across two performance periods, assuming:

- » the portfolio balance is \$1,000,000 at the beginning of the 12-month period, at the start of the first performance period
- » the portfolio balance is \$1,040,000 at the end of the first 6-month performance period (after all fees but before the performance fee for that period)
- » the benchmark returned 6% during the first performance period»the portfolio balance is \$1,300,000 at the end of the second performance period (after all fees but before the performance fee for that period)
- » the benchmark returned 5% during the second performance period»no other capital was contributed into or withdrawn from the portfolio.

The portfolio's underperformance to the benchmark for the first performance period is calculated as:
 $\$1,040,000 - (\$1,000,000 \times 1.06) = - \$20,000$

No performance fee is payable for the first performance period.

The portfolio's outperformance for the second performance period is calculated as:
 $\$1,300,000 - ((\$1,040,000 + \$20,000) \times 1.05) = \$187,000$

The performance fee payable for the second performance period is calculated as:
 $\$187,000 \times 10\% = \$18,700$

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

Illiquid assets

We will continue to provide reporting on illiquid assets and we generally value them at the last trading price until new pricing information is made available. Some illiquid assets may not trade for extended periods of time, and it is possible that the value realised for an illiquid asset is substantially different to the value reported. At our discretion, we may change the method by which we value an asset, and will seek to report the most accurate value for the asset.

If your account consists of only illiquid assets, the Account Keeping Fee and any Activity Fees will continue to apply as per the *Fees and other costs* table while the Administration Fees will be reduced to nil.

Foreign exchange services

Mason Stevens provides foreign exchange services for transactions in international listed and unlisted securities, including fixed income instruments, which include the buying and selling of such instruments and related corporate action and income transactions.

Where instructed by you, foreign exchange transactions will be carried out to convert AUD into relevant currencies using the foreign exchange rates advised by the sub-custodian or other wholesale providers Mason Stevens has access to. Mason Stevens actively manages such transactions to facilitate the most optimal outcomes for its clients. The rates provided are subject to market conditions and available liquidity in the marketplace for the respective currency pair, and include costs incurred by the sub-custodian and Mason Stevens in providing the most efficient and effective service, which may be up to 0.30%.



Transacting on international equities

Trading and settlement for investments on international markets may also incur additional costs which include but are not limited to local exchange fees, taxes, bank fees, and government charges. These costs may be passed on to you and may be deducted from your cash balance or from the total transaction amount on settlement of the trade or any corporate actions.

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.



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 on best endeavor basis but will 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 will 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 the Managed Portfolio, you will incur transaction costs on the sell down of the securities held within the MDA. You may incur a capital loss or be liable for Capital Gains Tax as a result of the exit. Alternatively, you can instruct us to move the assets from the Managed Portfolio into your Self-Directed Portfolio.

You should 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 automatically allocate income received in your MDA to the cash balance held 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 MDA, 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.

You can also automatically invest cash from your Self-Directed Portfolio into your Managed Portfolios. If this functionality is switched on for your account, the cash from your Self-Directed Portfolio will be allocated into your selected Managed Portfolios each month on or around the 22nd, provided that the amount being invested into the Managed Portfolios is at least \$5,000.

Rebalancing and asset weightings

The MDA Provider and the Investment Sub-Adviser will periodically review the assets held for your selected Managed Portfolios to ensure that weightings are consistent with the underlying Managed Portfolio's investment strategy as advised by the Investment Sub-Adviser. If the actual holdings in your portfolios do not align with the reference target set, your portfolios are rebalanced as closely as possible. A rebalance may not occur every time your portfolios are reviewed and remains at the MDA Provider's discretion based on the Investment Sub-Adviser's advice.

Following a rebalance, the assets held in your MDA may be different from the target sets of your chosen portfolios.

If a rebalance or an investment instruction relevant to your portfolios requires a trade of less than the minimum trade size at market or less than an odd lot (in certain international markets), then this trade generally does not occur.

You should also be aware that Managed Portfolios may have different minimum investment amounts which take into consideration the investment strategy and the number and type of assets held in the Managed Portfolio. In some cases, investing the minimum investment amount may not be sufficient for you to acquire every asset in the Managed Portfolio. If you have close to the minimum amount allocated to a Managed Portfolio, this may result in holdings in an asset that would be less than the minimum market trade size, and therefore it may not be executed. It is at the discretion of the MDA Provider to accept investments and redemptions below the minimum amount. All of the above may increase the differences between the investment performance of your portfolios and that of your chosen underlying strategies.

Automatic investment plan

Your adviser can set up an automatic investment plan on your account so that when funds are deposited into your Self-Directed Portfolio, the amount is automatically invested across your selected Managed Portfolios according to the proportions determined by you and your adviser. The automatic investment plan will run each business day where new deposits are made into your Self-Directed Portfolio provided that the amounts to be invested meet the minimum investment requirement of the Managed Portfolios.

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 we receive this instruction from your adviser. The value of the investment that you exclude will be allocated to the cash balance of the Managed Portfolio and cannot be substituted by any other investment.

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.



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 may 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 does 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.



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.

Collecting your Tax File Number (TFN), Australian Business Number (ABN) or exemption reason

If you do not quote your TFN (or TFNs for joint accounts), ABN or exemption reason, tax may be withheld from any applicable income received in respect of your account at the highest marginal tax rate (plus Medicare levy) before it is paid to you. You may be able to claim a credit in your tax return for any TFN or ABN tax withheld.

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

The collection of your TFN is authorised, and its use and disclosure strictly regulated by tax laws and the *Privacy Act 1988 (Cth)*. You do not have to provide your TFN, and declining to do so is not an offence. For more information about the use of TFNs, please contact the Australian Taxation Office (ATO).

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.



Before you make an investment decision, it is important that you understand the risks that can affect your investment. You must be prepared for the risk that your investment does not meet your investment objectives or you lose money on your investment.

Specific investment risks apply to all investments that may have an effect on the value of your MDA. The risks of investing by following the strategy and parameters of the Managed Portfolios may include, but are not limited to, the following factors:

- » **Market risk** – Unexpected conditions (i.e. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the value of listed securities and the investment returns.
- » **Company or security specific risk** – Risks which could affect the value of a specific security, such as a fall in the profit performance of a company, may impact adversely on its share price and may also affect the interest rate it has to pay to borrow funds, which in turn, can affect the value of its debt securities.
- » **Currency risk** – If the Managed Portfolio's investments in international assets are unhedged, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. It is not the Investment Sub-Adviser's intention to hedge the foreign currency exposure of the Managed Portfolio arising from investments in overseas markets.
- » **Interest rate risk** – Changes in interest rates can influence the value and returns of investment in the Managed Portfolio.
- » **Credit risk** – Any change in the market perception of the creditworthiness of a security or the credit rating of the issuer of the security may affect the security's value.
- » **Investment Sub-Adviser risk** – This is the risk that the Investment Sub-Adviser may not achieve its stated investment objectives or that changes in the investment team may impact on the performance of the Investment Sub-Adviser.
- » **Liquidity risk** – The risk that the Managed Portfolio may experience difficulty in realising its assets.
- » **Time horizon risk** – There is no assurance that in any time period, particularly in the short term, a Managed Portfolio will achieve its investment objectives. Many of the underlying assets may be volatile particularly over the short term. The Managed Portfolio is suitable for long term investors and is not designed for short term investment.
- » **Income risk** – The level of income generated on the Managed Portfolio's investments can fall as well as rise and the tax status of such income can change.
- » **Asset risk** – Asset risk is the risk that a particular asset or asset class in which the Managed Portfolio invests may fall in value, which may have an impact on the value of the Managed Portfolio.
- » **Diversification/Concentration risk** – If your Managed Portfolio is concentrated into one investment or sector, a fall in that investment or sector may have a significant adverse effect on your total MDA. Diversification is used as a strategy aimed at reducing the impact that volatility in one investment or sector will have on the performance of your overall Managed Portfolio. The Managed Portfolio will have a relatively higher concentration over time of listed securities but it is not possible to advise in advance the levels of concentration or diversification of issuers, types of investments or industry sectors.
- » **Inflation risk** – Your investment may not keep pace with inflation. Broadly, this could mean that prices may increase more than the value of your investments following the Managed Portfolio and if this risk eventuates, you would not be able to buy as much with the value of your investments in the future as you could now.
- » **Investment risk** – All investments have an inherent level of risk. The general expectation is that a high risk investment offers a higher expected return on investment. Investment risk may result in performance less than you expect or the loss of all of the capital invested or reduction in or no income and possible delays in repayment. Whilst it is the intention of the Investment Sub-Adviser to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.
- » **Specific portfolio risk** – The Investment Sub-Adviser's investment approach may result in a Managed Portfolio that differs substantially from an industry benchmark and hence your MDA which follows that Managed Portfolio might have investment returns which also differ substantially from industry benchmark returns.



- » **Third party risk** – The MDA Provider uses information and services provided by third parties such as subcustodians and other service providers. Procedures are in place to address risks associated with outsourcing, such as having comprehensive service agreements with service providers. If a service provider advises of an error, it is corrected and if material, it will generally be communicated to you or your advisor (or both).

- » **Systems and technology risk** – The MDA Provider relies on the integrity and reliability of the trading and administration systems used to manage your managed account. To minimise potential risks, established systems operated by experienced system providers are used. The system providers must have backup arrangements and business continuity plans. In the event that the systems fail there may be delays in processing transactions or in accessing your investment capital and investment returns may differ from those that would have been achieved.

Please note that the risks identified are not meant to be exhaustive as it is not possible to identify every risk factor associated with investing. The appropriate level of risk for you will depend on various factors including your age, investment timeframe, other investments you may hold, and your level of risk tolerance.

Investors who have concerns regarding any of the above risk factors, or any other applicable risks, are encouraged to contact their financial adviser.



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.

No cooling-off period

The registered owner of Approved Assets, being the Sub-Custodian, is a wholesale investor and therefore generally not entitled to any cooling-off rights when investing in units of managed investments. Cooling-off rights are usually available to direct retail investors under s1019B of the *Corporations Act 2001 (Cth)*, allowing investors to return their investments within a period of 14 days of acquiring the investment and receive a refund. As you are an indirect investor, you are not entitled to any cooling-off rights.

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 Important 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/privacy.

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 keeps 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 contractual arrangements with Investment Managers (including Mason Stevens Asset Management Pty Ltd, a Mason Stevens group entity) in relation to investment management of the Managed Portfolios / Investment Options. Mason Stevens pays the Investment Managers 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.

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. Mason Stevens has policies in place to ensure that Mason Stevens manages conflicts of interests.

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:
Level 19, 420 George 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 submitting 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 entering into 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 2001 (Cth)* 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 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 documented in this Guide and agreed in accordance with the "Online Application Declaration and terms of use" at the back of this Guide. 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):

- (a) selection of investments within the limits described in the Investment Mandate
- (b) 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
- (c) adjusting, delaying or declining investment allocations within the Investment Mandate
- (d) interpreting the Investment Mandate
- (e) arranging orders, including allowing accumulation, aggregation and price averaging with orders for other clients
- (f) decisions in relation to corporate actions on investments in the Managed Account
- (g) managing margined Financial Products, limited recourse and non-limited recourse Financial Products and any other complex Financial Products, and
- (h) 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 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).
- 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 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.



Online application declaration and terms of use

About this document

This document contains important information about our terms for opening an account. Before you confirm your online application with us, please read the information on the following pages carefully as you will be bound by the declaration and terms and we will rely on your application. These terms can also be accessed at masonstevens.com.au/online/terms

Applicant declaration

You acknowledge that you have read the Mason Stevens Global Investment Service Guide (**Guide**) if you are establishing a Self-Directed Portfolio with Mason Stevens (**we, us**), and that you have read the Guide and the relevant Investment Mandate if you are also establishing a Managed Discretionary Account (**MDA**) where Mason Stevens is the MDA Provider. You acknowledge and agree that:

- a. If applying as a natural person, you are over 18 years of age.
- b. You have read, understood (or, if applicable, your authorised signatory on your behalf has read and understood) and retained a copy of, and agree to be bound by, the terms.
- c. If you have applied as a retail client, you confirm that you have read and understood (or, if applicable, your authorised signatory on your behalf has read and understood) the Financial Services Guide issued by Mason Stevens.
- d. You confirm that all information provided by you to Mason Stevens and your financial adviser (as applicable, and whether in this application form or by other means) is accurate, up-to-date and complete.
- e. If you do not provide Mason Stevens with information as requested, or if there is a delay in your providing such information, then Mason Stevens may not be able to open your account.
- f. Mason Stevens may require further information from you from time to time. You agree to provide such further information as is reasonably required by Mason Stevens promptly after a request.
- g. Mason Stevens may use and disclose your personal information in compliance with its privacy policy.
- h. Mason Stevens may provide information on the status of your investment to your nominated financial adviser or such other persons as is reasonably necessary for your investment.
- i. Mason Stevens is not liable for any loss incurred by you as a result of any action which either delays your account being opened or results in your application being declined.
- j. You understand and acknowledge that dealing in exchange traded securities and derivatives will be governed by the applicable rules of the applicable exchange and the *Corporations Act 2001 (Cth)* as amended, and that investing in leveraged derivative products carries a high level of risk to capital, potential volatility and fluctuations in value which may result in your losing more than your initial investment amount.
- k. You acknowledge that you are aware that this application form does not constitute an offer or invitation in any place outside of Australia where or to any person to whom it would be unlawful to make such an offer or invitation.
- l. You also acknowledge that the distribution of this application form (electronically or otherwise) in any jurisdiction outside of Australia may be restricted by law and persons who come into possession of this application form should seek advice on and observe any such restrictions.
- m. You will comply and will continue to comply with applicable anti-money laundering and counter-terrorism financing laws (AML/CTF Act) and regulations, including but not limited to the law and regulations of Australia in force from time to time.
- n. You are not aware and have no reason to suspect that the monies used to fund your investment have been or will be derived from or related to any money laundering, terrorism financing or similar activities illegal under applicable laws or regulations, or that the proceeds of your investment will be used to finance any illegal activities.
- o. You will provide Mason Stevens with all additional information and assistance it may request in order for it to comply with any AML/CTF Act, the Common Reporting Standard (CRS), US Foreign Account Tax Compliance Act (FATCA), or any other applicable laws.
- p. You are not a politically exposed person or organisation for the purposes of any AML/CTF Act.

- q. The information provided by you in, and in connection with, FATCA and CRS, which forms part of your application to Mason Stevens:
- i. is correct and may be used by Mason Stevens to undertake any action to comply with any applicable regulation, including on behalf of another member of the Mason Stevens Group
 - ii. may be disclosed to any other person, to enable it to be reported and used in compliance with the applicable regulation, and
 - iii. will be updated within 30 days when there are any changes.

- r. If you are applying for an MDA Service:
- i. you acknowledge that you have read and understood (or, if applicable, your authorised signatory on our behalf has read and understood) the MDA Service Terms which are included in the Investment Program selected by you in this application
 - ii. you confirm that on acceptance of this application you will be bound by the MDA Service Terms in relation to each Investment Program selected by you
 - iii. you acknowledge that your agreement to the MDA Service Terms authorises Mason Stevens with discretion to implement the Investment Program.

- s. If you have applied as a retail client for a MDA:
- i. you confirm and agree that your MDA Contract for each Investment Program will comprise the MDA Service Terms in the investment mandate for that investment program and those MDA service terms include and incorporate the investment program in the statement of advice to you for the investment program
 - ii. if you are advised by an external MDA adviser on the Investment Program, you confirm that (even though Mason Stevens receives personal information about you and the MDA Contract includes the investment program in the Statement of Advice provided to you), Mason Stevens:
 - will not separately enquire into or verify your personal financial circumstances, needs or objectives
 - will not assess any (personal or other) information from or about you in relation to any MDA services which is provided to Mason Stevens
 - will not give any personal advice to you on the Investment program (including any advice on the MDA Contract, including whether it is appropriate and suitable for your needs), and will not be liable for any personal advice by your external MDA adviser.

- iii. if you are trustee for a self-managed superannuation fund (SMSF) given personal advice by Mason Stevens about the MDA Contract, the advice is only in relation to investment of SMSF funds through the MDA Service and not otherwise in relation to the SMSF.

Terms of use

1.0 Agreement

- 1.1 An agreement between you and us is formed when we accept your application in an Application Form, as recorded in our records without express notice of that acceptance given to you (and without requiring any signature or other execution by or on behalf of us or you). You accept that the agreement is made in this manner and that we rely on your acceptance of this. The agreement consists of the Application Form and these Terms plus any other documents annexed to or incorporated by these Terms, all as amended from time to time (agreement).
- 1.2 For the purpose of resolving any inconsistency between the documents specified in clause 1.1, the order of precedence (with highest priority first) is:
- a) any other documents annexed to or incorporated by these Terms other than the Deed for Custody Trusts
 - b) the Terms
 - c) the Application Form, and
 - d) the Deed for Custody Trusts.
- 1.3 Acceptance of your Application Form is in our sole discretion.

2.0 Services

- 2.1 By these Terms, you appoint us to provide you with the following services:
- a) an account service, which includes providing one or more accounts (however they are described or named from time to time) for holding in custody Financial Products (including by appointing sub-custodians from time to time) and reporting on them as agreed from time to time
 - b) agency services for you for the purposes of dealing (including arranging to deal) in Financial Products and all related settlement and clearing of them
 - c) custody of your Property in accordance with these Terms
 - d) advisory services in relation to Financial Products and financial services
 - e) dealing, advisory and management services in relation to other products or services which are not Financial Products or financial services
 - f) management of your Property, including with discretionary authority, as agreed from time to time, and



- g) all ancillary or related services in accordance with these Terms, as amended or varied from time to time, collectively referred to in the agreement as Services.

3.0 Our general obligations

- 3.1 The following general obligations are subject to any specific obligation expressly set out in the Terms and to any statutory obligation which may not be affected by the Terms. We will:
 - a) act honestly in providing the Services
 - b) exercise the degree of care and diligence that a reasonable person would exercise if they were in our position in providing the Services to you;
 - c) maintain at all times professional indemnity insurance as required by law, and
 - d) maintain adequate arrangements to enable us to provide the Services in any contingency for which we should reasonably plan.
- 3.2 We represent that:
 - a) We have adequate arrangements to enable us to provide the Services in any contingency for which we should reasonably plan.
 - b) We have the power and authority to enter into the agreement and to perform the obligations imposed on us by the agreement.

4.0 Your general obligations

- 4.1 You acknowledge and agrees that:
 - a) if you make the agreement as a body corporate, we may at any time request a guarantee or an indemnity (or both) from any or all of your directors to secure your obligations under the agreement
 - 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 your authorised representatives because we will rely on your written notification until you tell us otherwise despite any other information we might receive from other sources
 - d) you provide us with any information we require if we decide we need that information to perform our Services or to comply with law or our internal compliance policies and procedures even if we choose not to tell you, or we are not allowed to tell you, the reason for using the information
 - e) you will keep any login details secure and confidential and to take reasonable steps to prevent access by another person. You will notify Mason Stevens immediately if you become aware of any unauthorised access to your account
 - f) you will comply with any terms that may be applicable to our online account access as amended from time to time and not to copy, tamper with, or damage any code, data, service or software provided in connection with your

account. Mason Stevens may suspend or cancel your online access if you fail to abide by these Terms or where Mason Stevens reasonably believe that fraudulent access or transactions may have occurred in relation to your account.

5.0 Instructions relating to your Account

- 5.1 A reference in these Terms is a reference to the entire account relationship between you and us and also, as the context requires, to each individual account which is separately identified in our records. You may have more than one account provided by us from time to time. Each account is part of the entire Service provided by us and is not legally segregated from any other account even though we record and report on them separately.
- 5.2 Instructions properly given by you to us is binding on you and may be given to us on the following terms:
 - a) you may give instructions to us either directly from you or by an authorised representative appointed by you and acceptable to us
 - b) we are entitled to assume that you, by giving us instructions, are complying with the agreement and with all of its legal obligations. We are not obliged to review the authorisation or propriety of the instructions of your compliance with law
 - c) instructions properly given by you remain effective until the earlier of:
 - i. being cancelled or superseded by you giving instructions to that effect to us (in time for us to act on them), and
 - ii. being declined by us
 - d) we may decline to act on any instructions, or delay acting on any instructions which we believe are incomplete, ambiguous or unclear, or if we believe to do so is necessary or prudent for compliance reasons, or would be contrary to law, or would conflict with rules, operating procedures or market practices, or for which we require further information or which might reasonably be expected to expose us to personal loss or liability
 - e) we give no assurance that any person with whom we place an order will execute the order, or will not delay it.
- 5.3 If you or by an authorised representative place instructions for an order (e.g. buy or sell transaction) through an online order pad provided by Mason Stevens, you agree and acknowledge that:
 - a) orders are only valid for the same trading day they are placed. A trading day is determined by the market hours of the relevant securities exchange
 - b) a "limit order" is an order to buy or sell specified units of a security at a specified price
 - c) a "market order" is an order to buy or sell specified units of a security at the available market bid or offer price



- d) “good for day” orders are only valid for the same trading day that they are placed. A trading day is determined by the market hours of the relevant securities exchange
 - e) “good ‘til cancelled” orders stay in effect until they are transacted at the instructed price or until you or your adviser cancels the order. The maximum timeframe “good ‘til cancelled” orders will remain at market is 60 calendar days at which point it will be automatically cancelled
 - f) “good ‘til date” orders stay in effect until the nominated date or until you or your adviser cancels the order. “Good ‘til date” orders cannot be placed more than 60 calendar days ahead
 - g) orders for trades placed on international markets between 6pm AEST and 9am AEST may not be executed on-market until the following trading day of the relevant exchange. The settlement date of the FX orders will be on the same trading day where possible, or failing to do so, the orders will settle within the following two business days
 - h) orders may be executed at prices that vary substantially from the bid or offer prices quoted at the time the order was placed
 - i) market prices for international listed securities, managed funds and fixed income securities are as at the end of the previous trading day, or reflective of the latest available price where provided
 - j) Mason Stevens and third party data providers, including relevant exchanges, do not guarantee the accuracy or reliability of the market data or other information they provide and accept no liability for any loss or damage arising from any inaccuracies or omissions
 - k) orders cannot be amended online after they have been placed
 - l) orders may be cancelled, subject to exchange rules and the rules and requirements of the market participants who have received the order. You understand that a notification will only be received if the order is successfully cancelled. If no notification is received, the order was unable to be cancelled and will be executed
 - m) you represent and warrant that your authorised representative is authorised to access and to use the online order pad and that they have agreed to the terms of use both in their own capacity and on your behalf
 - n) it is your responsibility (including by your authorised representative acting on your behalf) to manage any unfilled portions of any order
 - o) Mason Stevens is not liable for any error made (by you or your authorised representative) in the inputting of an order online, any error occurring on a securities exchange or other execution venue, the rejection or cancellation of any order for any reason, the acts or omissions of any third parties or any other error outside the direct control of Mason Stevens.
- 5.4 You acknowledge and agree that, in respect of any account provided to you:
- a) we will not be responsible for any loss or liability incurred by you in relation to taxation of any investment, payment, dealing or right associated with the account, including any fine, penalty or interest charge
 - b) we, another customer of ours or a director, secretary, officer, representative, employee or consultant of ours or of a related body corporate of us may be the counterparty to a transaction executed on your behalf by us in operating the account, or to a transaction in similar Financial Products or their derivatives, at or near the time of the transaction for you, and may take an opposite position or one which is contrary to or different from the transaction for you. We may, on our own account or on behalf of other clients, take opposite positions in respect of Financial Products to those taken by us in operating your account
 - c) we may charge you fees and charges, and recover expenses and be indemnified for amounts, at rates different from those charged to other clients.
- 5.5 A reference in these Terms is a reference to an account provided by us for which we have your authority to manage at our discretion, subject to any limits or requirements agreed by you and us.
- 5.6 You acknowledge and agree that, in respect of any Managed Account and any MDA Services provided to you:
- a) We do not assure, guarantee or represent that any particular investment performance will be achieved, that the capital invested by you 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 your liability is not necessarily limited to the balance of the account but may include your full liability arising from trading in Financial Products on terms authorised by you.
 - c) We are authorised, in operating the MDA, to deal in Financial Products on your behalf, without any prior approval from, or consultation with, you in respect of the purchase, sale and other management of Financial Products, including their exercise or roll-over (subject to any limits agreed with you and subject to other provisions in the agreement).
 - 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 MDA may be irregular and the timing of that income might not suit your 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 you.
- g) We will not be responsible for any loss or liability incurred by you if we act or refrain from acting within the discretionary terms authorised by you, 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 you in the MDA (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 your behalf.
- i) We have complete discretion to manage your Property (subject to any limits agreed with you, to other provisions in the agreement and to our duties and other obligations which by law cannot be excluded by the agreement). In exercising this discretion, we might expose you 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 your Property and the return which you receive from that Property.
- j) The MDA Service Terms will be binding on you and Mason Stevens on acceptance by Mason Stevens of your application for them (before or after this agreement is made). The MDA Service Terms authorise Mason Stevens to manage your MDA in accordance with the Investment Program selected by you. The Investment Program includes and incorporates the Investment Mandate for the Investment Program. The Investment Mandate sets out the MDA Service Terms for the Investment Program.
- k) If you are a retail client, the MDA Contract will comprise the MDA Service Terms for the Investment Program selected by you and that will include and incorporate the Investment Program which is identified in the Statement of Advice given to you about the Investment Program.
- 5.7 You acknowledge and agree that:
- a) all money deposited by you with us, or received by us which is sent on behalf of you (client moneys), will be first deposited into our client moneys trust account and then may be withdrawn and paid into a bank account, other term or other account or deposit facility or cash management trust facility, whether in our name or maintained by our nominee or sub-custodian as a nonsegregated account held on trust for you and for our other clients, maintained in accordance with applicable legal and regulatory requirements, whether or not that other account constitutes a client moneys trust account (and this Term is sufficient direction by you to authorise the withdrawal of those client moneys to be paid into that other account)
 - b) dividends and other distributions to which you are entitled will be deposited into a bank account or other deposit facility or cash management trust account which we maintain for our clients (not directly into the client moneys trust account) and will be credited to your account
 - c) all Financial Products held by or for you will be held on trust for you, either by us or by our nominee or subcustodian (including any delegate appointed by them), and
 - d) in respect of your moneys in any trust account (including but not limited to a client moneys trust account) or in any other way held in custody for you:
 - i. you are not entitled to earn any interest on your moneys in any trust account unless we agree to that
 - ii. we are entitled to all interest earned on your moneys in any trust account, and
 - iii. if we set an amount or rate of interest which we will pay or credit to you in respect of your client moneys, we will pay or credit that and we are entitled to all other interest earned on those moneys above the amount or the rate which we owe you.
- 5.8 If you do not provide your tax file number or details of exemption, we may be obliged by law to deduct and withhold amounts from payments otherwise owing to you at the highest marginal rate plus any applicable levy (including the Medicare levy) as required by law and pay that to the relevant government agency.
- 5.9 You are and remain solely liable and responsible for all acts and omissions of your 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.

5.10 You agree not to make, and waive any right you may have to make, any claim against us for any loss incurred or suffered by you which may arise in connection with any act or omission by your authorised representative of whatever kind. This clause may be pleaded as a bar to any claim made by you in respect of asserted liability for us to pay or otherwise compensate you or restore your account.

6.0 Custody Services

6.1 The following apply to any Services which are custody services which we provide to you, whether it is a retail client, wholesale client or otherwise. The specific obligations set out below prevail over anything else in the Terms which are inconsistent:

- a) We will acknowledge to you on request the manner in which we hold your Property.
- b) The manner in which instructions may be given to us are as set out in the Terms.
- c) We are liable to you if there is a loss to you due to a failure by us or by a person we directly or indirectly engage to hold your Property (being Property in which you have a beneficial interest), to comply with the duties arising under the Terms or other agreement relating to holding your Property or to observe reasonable standards generally applied by providers of custodial or depository services for holding the Property except that we are not liable to the extent resulting from failure of a person we have directly or indirectly engaged if that person is insolvent and we have not failed to take reasonable care in engaging and monitoring compliance by that person.
- d) We may not take or grant a charge, mortgage, lien or other encumbrance over, or in relation to, your Property under the custody arrangement unless it is:
 - i. for expenses and outlays made within the Terms other than any unpaid fees owing to us, or
 - ii. in accordance with your written instructions.
- e) We will keep and maintain electronic records of your Property and transactions made in relation to them of which we are aware (including, but not limited to, the time, source and method of giving instructions in relation to those transactions). The records of your Property and the nature of transactions in relation to them will be available in the ordinary course of the substantially continuously available electronic account reporting service and in summary form in the account reports sent to you. The information will also be available to persons authorised by you from time to time. Records of further details are not ordinarily continuously available but reasonable amounts of further detail will be provided free of charge on request.
- f) We will apply verification procedures for the appropriately frequent reconciliation and checking of your Property.

- g) We will report to you according to any written agreement with you, our disclosures in our FSG given to you, any requirement of law and as we represent to you from time to time.
- h) If practicable before arranging for your Property to be held by another person and in any event before the assets are held by the other person, we will provide you with written notice of the identity of, and contact details of, the other person, except we might not be able to give prior written notice if we decide that is in your best interests to arrange for custody of your Property with a person and prior notice is not predictable including, without limitation, because we have sufficient grounds to believe there are legal proceedings, or threatened legal proceedings, or insolvency restraints, adversely affecting, or likely to adversely affect, the then current asset holder.
- i) On termination of our Services for custody of your Property (whether by termination of the entire agreement with you, or termination of only the custody Service), subject to any lien in accordance with the Terms including in accordance with your written instructions, your Property will be transferred to you or as you lawfully direct within a reasonable time.
- j) The terms of the Deed for Custody Trusts are subject to the agreement. No provision of the Deed for Custody Trusts is intended to be inconsistent with, or may be construed as being inconsistent, with the agreement or with any duty imposed on us by law.

6.2 We will hold all of your Property on trust for you on the terms set out in the Deed for Custody Trusts. A copy of the Deed for Custody Trusts is available upon request. You acknowledge that:

- a) the Deed for Custody Trusts may be amended from time to time (in accordance with the terms of the Deed for Custody Trusts), without prior notice to or compensation to you
- b) we may appoint a sub-custodian or nominee to hold your Property
- c) we, or our nominee or sub-custodian, may appoint a person to act custodian to hold your Property (which person may appoint another person as custodian or other delegate)
- d) your Property will be aggregated with property of our other clients in an omnibus account
- e) any nominee or custodian (at any level) may make deductions from the Property from time to time for the purposes of satisfying any obligation entered into in accordance with the relevant nominee or custody agreement (but not to the extent prohibited by law)
- f) you might not have the benefit of direct contractual rights against a person with whom the nominee or any custodian transacts on your behalf, and



- g) in respect of the custody arrangements referred to in this clause 6, some benefits accruing to holders of property (including Financial Products) might not be directly or indirectly available for your benefit and that will be without compensation or other adjustment, for example, voting rights, participation in rights issues, share entitlements, share purchase plans and bonus issues.
- 6.3. The Agreement and all Services provided under it do not constitute a pooled investment or service or other common enterprise or, if they are construed as such, it is intended that no aspect of them are required to be registered as a managed investment scheme. Your investments made under the agreement are for you alone and, conversely, you have no interest in any investments made by us for any other person under similar terms nor in any property held beneficially for any other person, even if their money or Financial Products are aggregated in the same bank, custody or other account.
- 7.0 Authorities**
- 7.1. If you have applied for a MDA, you authorise us to operate and to manage your account at our discretion subject to any instructions issued by you to us in writing, including in the Application Form. We do not assure or guarantee the performance of any particular investment, return profits or maintenance of your investment arising from any transactions or decisions made under this authority.
- 7.2. We may use, in our sole discretion, the services of one or more service providers as appropriate to allow us to perform the Services selected by you. Without limitation, that includes banks, dealers, lenders, option writers, market makers, issuers, custodians, financiers, brokers, clearing agents, settlement agents, issue and offer managers and operators of managed investment schemes.
- 7.3. You authorise us to negotiate, to enter into and to make use of agreements with the service providers referred to in clause without prior consultation with you, as if we were the absolute legal and beneficial owner of the Property (subject to this agreement). You acknowledge that the agreements may include terms allowing or in relation to the following (without limiting other features or services):
- a) purchasing, selling, short-selling, subscribing for, applying for, transferring, lending, borrowing, redeeming or otherwise dealing with any Property on your behalf including to rebalance your portfolio of investments in an account
 - b) processing receipts (such as dividends and coupon payments) in relation to your account
 - c) arranging for and agreeing to dealing in Financial Products as between you and any other client of ours whose property is aggregated in the same bank, custody or other account, including on the basis of arranging for netting of transactions made for one portfolio of investments in an account with those made for another portfolio of investments in an account
 - d) signing and executing all forms, deeds, transfers and other instruments necessary to operate, to maintain and to administer your account
 - e) attending (or authorising attendance) at any meeting convened and exercising any rights attached to any Financial Products including voting, accepting or rejecting any proposal for creditors, takeover bid, scheme or arrangement or other corporate action
 - f) participating in, refraining from participating or ceasing to participate in any bonus or distribution investment plan relating to any assets in your account
 - g) exercising or not exercising any option held or granted
 - h) dealing in a range of Financial Products (including by arranging to place orders)
 - i) dealing in foreign exchange (spot or forward) and other derivatives (including by arranging to place orders)
 - j) clearing and settlement of all Financial Products
 - k) paying for transactions and for services, and fees, charges, expenses and other amounts owing in relation to that
 - l) nominee or custody holding of Financial Products, rights, interests or other assets or any other custody or depository of any of them
 - m) dealing and loan or other credit facilities, and
 - n) creating or permitting to be created encumbrances over your Property to secure performance of obligations arising in respect of your Property or generally in relation to the service provided by the service providers, including on terms that permit access to and enforcement over your Property without having to establish any default by or on behalf of you, and without any compensation to you for that, including terms providing for enforcement and authorisation to take action on your behalf or in your name ordinarily arising and reasonable for the requirements of such facilities and security interests. (The above examples should be interpreted expansively and not so that they are independent of each other.) The agreements with such service providers may provide for transactions on one or more Facilities including outside of an exchange. The service provider may be us or an associate of ours.
- 7.4. You will be bound by the terms of the agreement we make or have made under or in relation to clause 7.2. We are only liable in respect of those agreements as your agent and not in our personal capacity except to the extent required by law or as expressly stated in the agreement between us and the service provider or in this agreement between us and you. The agreements may provide that the service providers report only to us and not to you.

- 7.5 You acknowledge that if an agreement is entered with a clearing participant of a Facility who is obliged as principal to comply with the settlement obligations for transactions made through the Facility, you owe your settlement obligations to that clearing participant or we, as your agent, owe that obligation to that clearing participant.
- 7.6 Where you have provided the authority to your authorised representative on your account this authority also includes the power to delegate from time to time to one or more staff members employed by the authorised representative or the same business that employs the authorised representative, but only on the basis that the authorised representative remains responsible for the conduct of the authorised representative's delegates as though they were the conduct of the authorised representative. References to your authorised representative include when the act or omission is by the authorised representative's delegates.
- 7.7 You release, discharge and indemnify Mason Stevens and each other persons acting on behalf of them respectively (and all of their respective successors and assignees) from and against all losses, actions, liabilities, claims, demands and proceedings arising from your appointment of an authorised representative from time to time, and all acts, matters and things done or purported to be done by the authorised representative even if not actually authorised by you or you have not notified Mason Stevens of any limitation or revocation of their authority to act on your behalf.
- 7.8 You agree:
- a) In consideration of the Services which we agree to provide, you irrevocably appoint, severally, each director, company secretary and principal executive officer and each employee (whose title of office includes the word "manager" or "head") of us, whoever they are from time to time, as your attorney at any time to execute and to deliver all documents and to do all things which the attorney considers necessary or desirable to give effect to the provisions of the agreement (including these Terms) and, in particular, without limitation, in connection with or incidental to, the exercise of any of our rights and powers or for us to provide any of the Services. Those powers may be exercised in our interests despite any conflict with the interests of you. This appointment survives termination of the agreement.
 - b) You, for the benefit of us and for any attorney described in clause 7.6(a), will confirm and ratify whatever we and any other attorney does pursuant to the power granted under clause 7.6(a) and you will forever wholly indemnify and keep us and any attorney indemnified against all claims, demands, costs, damages, losses and expenses, however arising, arising from or in relation to the lawful exercise of all or any of their powers and authorities contained under clause 7.6 (a).
 - c) A grantee who is not a party to the agreement with you may rely on this clause and enforce it against you.
- 7.9 In the ordinary course of business, we do not record any telephone conversations with you; however, you authorise us to record any conversations (by telephone or otherwise) with us or our representatives, with or without an audible warning tone, for our records. You will be provided access to these records upon reasonable request. You acknowledge that we may destroy these records at any time at our sole discretion (and without notice).
- 7.10 These Terms apply to your MDA where Mason Stevens is the MDA Provider. If you have applied for a MDA that is offered by a party other than Mason Stevens, we will be responsible for:
- a) administration and custody services for the assets held within your Self-Directed Portfolio and MDA
 - b) accepting instructions from the Investment Manager to place transactions for the assets in the MDA
 - c) reviewing proposed orders and their compliance to the disclosed asset allocation ranges and other portfolio parameter limits detailed in the relevant Investment Mandate.
- 8.0 Fees, charges and expenses**
- 8.1 You owe and must pay the fees and charges, including our account fees and brokerage fees, in relation to the Services provided to you. Our fees and charges applying at the commencement of the agreement will be disclosed to you prior to the commencement of the Services to you.
- 8.2 You owe and must pay the expenses and reimburse us for any costs, charges and expenses (including stamp duty and GST, less any input tax credits or reduced input tax credits or both, on transactions made on your behalf) and any fees imposed by a Facility and charges, in all of those cases directly or indirectly arising in relation to transactions for you or arising from your defaults including your failure to pay for or settle your transactions or in relation to services provided by other persons which are obtained for the benefit of you. 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 you. For clarity, this clause does not require you to reimburse or otherwise pay us for taxes imposed on us for our taxable income.
- 8.3 We may change our fees and charges from time to time by written notice to you. The notice may be given by email, letter, message posted to your account or our website service, oral notice or any other effective means of giving notice and the notice will be effective whether or not you actually read or accessed the notice. We will give not less than seven days' notice of a change taking effect. Your continued use of our

Services after the change takes effect is confirmation of your acceptance of the change in fees or charges. If you do not agree with the change, you must give us written notice to close your account.

8.4 You authorise us to withdraw from your account such amount as is necessary to pay your fees, charges, and reimbursement for expenses and other amounts owing by you to us under this agreement:

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

8.5 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 you are stated exclusive of GST. If GST is payable on any supply made by us under the agreement, you must pay an additional amount equivalent to the GST at the time that payment to us is due. These rates are inclusive of the estimated net effect of GST (i.e. inclusive of GST, less any input tax credits or reduced input tax credits, or both).

9.0 Delay or failure to settle

9.1 If settlement is delayed or cancelled because:

- a) we have not received the relevant payment from you, then we may enforce payment by you, which may also involve you paying us:
 - i. interest on the outstanding amount, calculated and accruing daily, and
 - ii. a late settlement fee to be determined by us, to cover our reasonable costs and expenses arising from your delay or failure to settle
- b) you have not provided us with the relevant documents, information or instructions by the settlement date, then you must pay us:
 - i. fees and charges levied by a Facility provider or other related service provider in respect of your transactions, and
 - ii. a late settlement fee to be determined by us, to cover our reasonable costs and expenses arising from your delay or failure to settle including any Financial Products borrowing costs (even if from another client of us) or compensation to the other party to your transaction.

9.2 If you have not provided us with the relevant documents, information or instructions for settlement, or payment due after a demand by us or by the Facility provider or other related service provider to us or to you, then you by this agreement:

- a) authorise us to sell, at our sole discretion, any of your Property in our control or possession

- b) indemnifies us for all claims, damages, costs and expenses arising out of your delay or failure to settle
- c) authorises us to set-off any outstanding payment against a credit balance in your account, and
- d) authorises us to transfer any Property held for you to us, in any combination of the above, but only to the extent necessary to discharge some or all of your obligations.

9.3 For the good consideration which we provide to you by way of agreeing to and making the agreement, in addition to all other authorities and powers you grant us, you expressly grant us and each of our directors, company secretaries and principal executive officers and each employee (which employee's title of office includes the word "Manager" or "Head") (each a "grantee") severally as your attorney at any time and from time to time an irrevocable power of attorney to take such actions and to sign such documents as the grantee decides is necessary or prudent to register the relevant Property in our name or as we direct if you do not pay as required under this agreement. A grantee who is not a party to the agreement with you may rely on this clause and enforce it against you.

10.0 Your warranties and undertakings

10.1 You warrant and, as appropriate, undertakes that:

- a) You have the power to enter into and to perform this agreement.
- b) You are not under any legal impediment or other impairment which makes, or could make, the terms of this agreement void, voidable or unenforceable.
- c) You are not insolvent, under any form of external administration nor have you agreed to make a settlement with, assignment to, or compromise with its creditors.
- d) You have disclosed all relevant information to us to allow us to perform to the best of our ability our duties to you.
- e) All of the statements made by you 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) You have 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 you enter into the agreement as a trustee, you warrant in your 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 your 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 you are 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 your obligations and liabilities under this agreement
- g) you are 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 you in this clause or elsewhere in this agreement is deemed to be repeated on each day that this agreement subsists.

11.0 Limitation of Liability

11.1 Preserved Liability means:

- a) any liability which by law may not be excluded, limited or qualified, and
- 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 you for the following:

- a) our acts or omissions in reliance on your obligations under the agreement, your instructions or any other information we have relied upon provided by you including by your 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 Services, 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 you to the extent arising from us acting or refraining to act within the discretionary limits authorized by you, 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 you under the agreement is limited to the fees you have paid us in the two years preceding the breach or to the supply of our Services, 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 you 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.

12.0 Indemnities

12.1 Subject to a Preserved Liability, you forever indemnify 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 your Property or transactions made for you
- b) your breach of this agreement
- c) your breach of any law or regulation
- d) us acting in accordance with your instructions or relying on information given by you or your behalf, and
- e) claims of any kind by any third parties in relation to the Services or your 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. This provision survives termination of the agreement.

13.0 Termination

13.1 We may at any time, terminate at any time:

- a) the authority to manage your account
- b) your account
- c) this agreement

with no prior notice or with such other notice as we decide. If no time is specified, the termination will be with immediate effect and you will have immediate responsibility for management of your Property, including managing the risk of all positions. Termination of the authority to manage does not by itself terminate this agreement. 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.

13.2 You may terminate the authority to us to manage your account with prior notice or with immediate effect by notifying us of that in writing. If no time is specified, we may assume it is with immediate effect and you will have immediate responsibility for management of your Property, including managing the risk of all positions. Termination of the authority to manage does not by itself terminate this agreement. 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.

13.3 You may terminate the entire agreement with prior notice or with immediate effect by notifying us of that in writing. If no time is specified, we may assume it is with immediate effect and you will have immediate responsibility for your Property, including managing the risk of all positions. Termination of the agreement does not terminate obligations which accrue up to the time of termination, including any fees, charges and obligations to reimburse or to indemnify a person. Such obligations survive termination of this agreement.

13.4 You acknowledge that if the agreement is terminated, you are responsible for giving express instructions to us to unwind your positions to transfer them to the control of you or another person nominated by you. You acknowledge that it may take some time to unwind your position depending on factors such as the relevant markets and liquidity and that will be at your cost and risk.

13.5 Upon termination:

- a) you owe and must pay us all our accrued fees, charges and expenses and other costs for reimbursement or indemnification
- b) we will use all reasonable endeavours to transfer to you or your nominee all of your Property and rights in relation to your account, subject to you providing sufficient details and instructions for this to occur
- c) unless otherwise specified, we will promptly deliver to you all final accounts and reports in relation to your account after we transfer to your control your 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
- d) we may deal with Property in your account to settle or to set-off any existing obligations under the agreement
- e) if you do not provide appropriate instructions regarding the closure of your account, we will close your account (including closing at a time of our choosing your open positions and selling your other Financial Products at your cost and risk) and send (or attempt to send) you payment for any surplus after deducting all fees, charges and expenses or indemnified amounts, and
- f) we are no longer responsible for performing the Services or any of our other obligations under the agreement, but termination will not affect any transaction properly commenced prior to termination, nor any other claim which either party may have against the other.

14.0 Laws and Regulations

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

- a) *Corporations Act 2001 (Cth)* (including the relevant regulations, applicable ASIC Instruments and other legislative or Ministerial instruments)
- b) *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*, and
- c) rules, customs, usages, practices and regulations of any Facility which is relevant to your transactions.

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

- 14.3 You acknowledge that:
- a) we are subject to various anti-money laundering and counterterrorism financing laws and anti-tax avoidance laws (AML/CTF Laws) which may prohibit us from offering services or entering into or conducting transactions or performing Services, and
 - b) the AML/CTF Laws include prohibitions against any person dealing with the proceeds of or assets used in criminal activity (wherever committed) and from dealing with any funds or assets of, or the provision of finance to, any person or entity involved (or suspected of involvement) in terrorism or any terrorist act.
- 14.4 You agree that:
- a) we are not required to take any action or to perform any obligation under or in connection with these Terms if we are not satisfied as to your identity or if we suspect on reasonable grounds that by doing so we may breach the AML/CTF Laws
 - b) we may delay, block or refuse to make any payment or to provide any service if we believe on reasonable grounds that to do so may breach any law in Australia or any other country, and we incur no liability to you if we do so, and
 - c) we will not incur any liability to you for any loss which you suffer (including consequential loss) however caused by reason of any action taken or not taken by us as contemplated in paragraph (a) or (b) above.
- 14.5 You agree to provide to us and to allow us or our agents access to all information and documents which we reasonably require to comply with any law in Australia or any other country, including any AML/CTF Laws. The information which we may access, store and disclose for these purposes includes the information which is the subject of your authorisations in your Application Form or by any other means which you authorise us. You agree that we may disclose information about you which we collect or which we have, or about transactions or Services which you have with or by us or which you seek to conduct with us, if we are required to do so by any applicable laws in Australia or in any other country or for the purpose of complying our AML/CTF program and compliance obligations.
- 15.0 Confidentiality and Privacy**
- 15.1 We will keep confidential all of your personal information and all other of your confidential information so we will not disclose it except as permitted by law, including when compelled by a notice or order properly issued by a regulatory authority (including but not limited to ASIC) or as permitted by you. You permit disclosure by these Terms as set out in these Terms or as permitted by our privacy policy.
- 15.2 We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to the information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 15.3 We will comply with our privacy policy.
- 16.0 Complaint Handling**
- 16.1 If you have any complaint about our Services, we will follow our dispute resolution policy.
- 17.0 General**
- 17.1 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.
- 17.2 You 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).
- 17.3 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.
- 17.4 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.
- 17.5 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.
- 17.6 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.
- 17.7 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.
- 17.8 The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.
- 17.9 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.
- 17.10 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.

- 17.11 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.
- 17.12 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.
- 17.13 If you are comprised of two or more persons, then the account must be established in the names of all of the persons. This will operate as each person holding their interests as joint tenants (unless we expressly agree in writing). Each person is jointly and severally liable for the obligations under these Terms. We may discharge our duties to all of the persons by sending notices or payments to any one of the persons. We may act on the instructions of any one of those persons.
- 17.14 An agreement, representation or warranty by two or more persons binds them jointly and each of them individually.
- 17.15 You may not assign this agreement, because it is personal to you. We may assign this agreement (including the benefit and the burden of it) by giving not less than twenty business days' notice of that to you.
- 17.16 The agreement contains the entire agreed terms agreed by you and us for the Services except MDA Services and all related and ancillary aspects between the parties and supersedes all prior communications, negotiations and documents in relation to the Services. MDA Services are provided on the MDA Service Terms. Despite any other provision of these Terms, the MDA Service Terms prevail over these Terms and any other documents described in clause 1.
- 17.17 Except as specified otherwise, the agreement cannot be amended or varied except in writing and either:
- a) signed by the parties, or
 - b) by us giving not less than ten business days' prior notice to you.
- 17.18 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 Terms will be unaffected by that.
- 17.19 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.

18.1 Interpretation

18.2 In the agreement:

Account has the meaning given in clause 5.1.

agreement has the meaning given in clause 1.1.

Application Form means the application form, completed by or on behalf of you, which refers to these Terms or the agreement to be made on these Terms upon acceptance of the application in the form. The form may be in hardcopy or electronic form, and may be completed digitally online and need not be signed by or on behalf of you in order for it to be effective and binding on you. The form may be binding on you at the time it is submitted by or on behalf of you (even if the agreement is not made until later, if at all), or at a later time (including, but not limited to, when you confirm to us the application and any related declarations, confirmations or acknowledgments).

Applicable Laws means all laws, rules, regulations and other legal requirements in force from time to time in Australia. These include, without limitation, FATCA or CRS.

ASIC Instrument means an instrument issued by or on behalf of ASIC, including but not limited to, a registered federal instrument, a class order, a declaration and an exemption, in any case whether general or specifically applying to any person by ASIC, as amended or superseded from time to time. A reference to this includes a reference to any later instrument made by ASIC which substantially replaces or supersedes it.

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

Deed for Custody Services means the deed poll of that title made by Mason Stevens Limited (ABN 91 141 447 207 AFSL 351576), as amended or replaced from time to time.

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 (Cth)*.

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 your Property through an MDA Service.

Managed Account means a separately identified account provided by Mason Stevens to you for an Investment Program.

Managed Discretionary Account (MDA) means the service that allows you to invest in professionally 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.

MDA Service means the components of any Services to you which have the features of an “MDA service” as defined by the ASIC Instrument (for clarity, this defined expression also applies to clients who are not retail clients).

MDA Service Terms means the terms of providing an MDA Service to you, as set out in the Investment Mandate for the Investment Program selected by you. (For clarity, if you are a retail client, the MDA Service Terms include and incorporate the content under the heading “Investment Program” in the Statement of Advice given to you by your adviser.)

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 you by us, or accruing to you as a result of the agreement with us.

Services has the meaning given to it in clause 2.1.

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.

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

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

