



# Individually Managed Account Service Information Memorandum

## Providing direct access to professionally managed fixed income investments

This Individually Managed Account Service (“**IMA**”) Information Memorandum is dated 15 November 2025, and is issued by MST Financial Services Pty Ltd ACN 617 475 180. (“**MST**”). MST holds AFS Licence number 500557.

The purpose of this document is to provide information for prospective investors to decide whether they wish to invest in fixed income investments through the Individually Managed Account Service.

FIIG Securities Limited (“**FIIG**”) is the appointed administrator and custodian for your Individually Managed Account(s). FIIG has appointed JPMorgan as sub-custodian for the Individually Managed Account Service.

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

Investments in fixed income using the Individually Managed Account Service **IMA** is only available to “Wholesale Clients” (within the meaning of s 761G of the *Corporations Act 2001* (Cth) (**Act**) and including sophisticated investors pursuant to s 761GA of the Act.

You may only apply for an Individually Managed Account by completing the Individually Managed Account Application Form. As Wholesale Clients, investors in the Individually Managed Account Service will not receive a product disclosure statement and will not have any cooling off rights.

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

Statements made in this Investment Memorandum are made at the date of this Investment Memorandum. Under no circumstance does the delivery of this Investment Memorandum at any time create an implication the information contained in this Investment Memorandum is correct at any other time after such date.

### **No offer outside Australia**

This offer is available to investors in Australia only. This IMA Information Memorandum does not constitute an offer in any jurisdiction other than Australia and the distribution of this Information Memorandum outside of Australia may be restricted by law. No action has been taken to register or qualify the interests or the offer, or to otherwise permit a public offering of interests in any jurisdiction outside Australia. If you come into possession of this Information Memorandum, you should seek your own advice and observe any such restrictions within the laws of that jurisdiction.

We will take your return of a duly completed Individually Managed Account Application Form to constitute a representation and -warranty by you that there has been no breach in this regard.

## **No personal advice**

MST provides general financial product advice only to IMA Clients. As a result, this IMA Information Memorandum, and any information or advice, has been provided by MST without taking account of your objectives, financial situation and needs. Therefore, before acting on any advice from MST, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If this IMA Information Memorandum relates to the acquisition, or possible acquisition, of a particular financial product, you should obtain a product disclosure statement relating to the product and consider the statement before making any decision about whether to acquire the product. Neither MST, nor any of its directors, authorised representatives, employees, or agents, makes any representation or warranty as to the reliability, accuracy, or completeness, of this IMA Information Memorandum. Nor do they accept any liability or responsibility arising in any way (including negligence) for errors in, or omissions from, this IMA Information Memorandum. MST, its staff and related parties may earn fees and revenue from dealing in the securities as principal or otherwise and may have an interest in any securities mentioned in this IMA Information Memorandum. Any reference to credit ratings of companies, entities or financial products must only be relied upon by a 'wholesale client' as that term is defined in s 761G of the Act, or a sophisticated investor for the purposes of s 761GA of the Act. MST strongly recommends that you seek independent accounting, financial, taxation, and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision. MST does not provide tax advice and is not a registered tax agent or tax (financial) advisor, nor are any of MST's staff or authorised representatives. A copy of MST's current Financial Services Guide is available at [www.mstfinancial.com.au/financial-services-guide](http://www.mstfinancial.com.au/financial-services-guide).

Investment via the Individually Managed Account Service is not a deposit with, or any other liability of, MST or any of its affiliates. It is subject to investment risk, including possible delays in selling your investments or repayment of withdrawal proceeds and loss of income and principal investment. MST does not sit behind or otherwise guarantee the capital value or investment performance of your investments via the Individually Managed Account Service. Past performance of any product described in any communication from MST is not a reliable indication of future performance. Forecasts contained in any communication from MST are predictive in character and based on assumptions and no reliance should be placed on the accuracy of any forecast information. The actual results may differ substantially from the forecasts and are subject to change without further notice. No liability is accepted for any unauthorised use of the information contained in this IMA Information Memorandum.

MST is the owner of the copyright material in this IMA Information Memorandum unless otherwise specified. This IMA Information Memorandum includes material from other sources. You should independently verify the material contained in this IMA Information Memorandum.

## **Confidentiality**

This Information Memorandum is provided on a strictly confidential basis solely for your information and exclusive use to assess an investment in the Individually Managed Account Service and may not be used for any other purpose.

This Information Memorandum may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in any way without MST's prior written consent, which MST may withhold in its absolute discretion.

By accepting this Information Memorandum, you agree you will comply with these confidentiality restrictions and acknowledge your compliance is a material inducement to us providing this Information Memorandum to you.

## **Financial details**

All references to dollar amounts are to Australian Dollars (AUD), unless otherwise stated.

## **Limitation of liability**

To the maximum extent permitted by law, MST disclaims and excludes all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum.

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# About **MST**

Since its inception, MST Financial has been committed to delivering in-depth analysis and actionable insights to help clients make informed investment decisions.

In 2025, MST Financial expanded its service offering into investment management, further enhancing its reach and ability to serve a broad base of clients with tailored investment solutions.

MST Income, a division of MST Financial, provides high-quality, tailored Hybrid and Debt Securities services to Wealth Management firms and Institutional Investors, offering everything from expert insights and research to professional portfolio management with a focus on execution and implementation.

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

MST Financial has an Australian Financial Services Licence (issued by ASIC) and is authorised provide a range of financial services including general financial product advice.

MST Financial maintains strict conflict of interest policies to ensure that the investment management team which manages the Individually Managed Account Service operates independently.

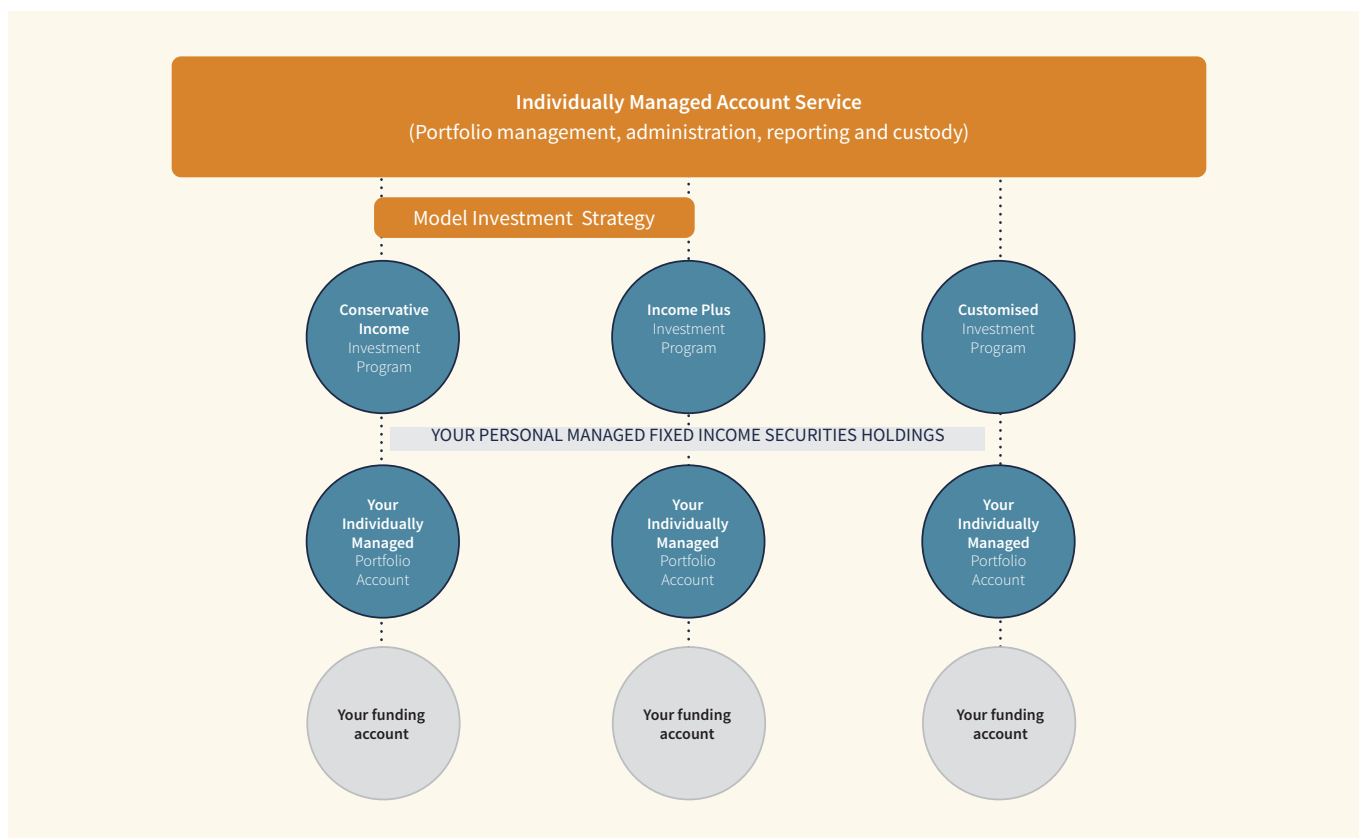
# 1. About the Individually Managed Account Service

Under the Individually Managed Account Service you retain beneficial ownership of the fixed income securities held for your Individually Managed Account(s), whilst benefiting from MST's professional portfolio management. Your portfolio will be managed in line with your selected Investment Program(s).

Under the Individually Managed Account Service you may select from the Model Strategy Investment Programs outlined in Section 3.

The minimum investment amount is \$5 million per Model Strategy Investment Program.

For investments in excess of \$10 million, MST will provide you with the opportunity to customise the parameters of your Investment Program to create a Customised Investment Program.



Key benefits of investing through the Individually Managed Account Service include:

## Experience

**Professional investment management** – MST's professional and experienced portfolio managers have day-to-day management of your fixed income securities and products to invest and trade in accordance with your selected Investment Program.

## Control

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

## Simplicity

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

**Transparency** – your monthly statements, which are available online, contain details of your portfolio's investments, performance, valuations, transactions and income.

**One fixed income solution** – you will receive your fixed income portfolio management, administration, reporting and custody in one place.

**Easy administration** – MST will receive and administer any notices and corporate actions related to your Individually Managed Account(s).

**Diversification** – Your Individually Managed Account(s) will be invested in a minimum number of fixed income securities, as specified in your selected Investment Program(s).

## 2. Key Features of the Individually Managed Account Service

Section 10 sets out important definitions for some of the terms used in this IMA Information Memorandum.

FEATURE	DESCRIPTION
<b>Investment Manager</b>	MST Financial Services Pty Ltd (“ <b>MST</b> ”)
<b>Custodian and Administrator</b>	FIIG Securities Limited, with JP Morgan appointed as sub-custodian.
<b>Managed Income Portfolio Service</b>	<p>The Individually Managed Account Service (“IMA”) offers you the opportunity to invest in individually managed accounts (“Individually Managed Accounts”) which are managed to the following Investment Programs.</p> <p>There are two (2) Model Strategy Investment Programs to choose from:</p> <ol style="list-style-type: none"><li>1. Conservative Income Investment Program; and</li><li>2. Income Plus Investment Program.</li></ol> <p>Subject to meeting the Minimum Investment Amount of \$5 million for each Model Strategy Investment Program, you can invest in one or both of the Model Strategy Investment Programs. The details of each Model Strategy Investment Program are set out in Section 3 of this IMA Information Memorandum.</p>
<b>Customisation</b>	If you wish to invest \$10 million or more, MST can customise the parameters within which MST will manage your Individually Managed Account. This is referred to as a “Customised Investment Program”.
<b>Investor Eligibility</b>	Investment through the Individually Managed Account Service is only available to investors who are both Wholesale Clients and Australian tax residents.
<b>Minimum Investment Amount</b>	The Minimum Investment Amount is \$5 million for each Model Strategy Investment Program or \$10 million for a Customised Investment Program.
<b>Investment Program Switching</b>	You can switch between the two Model Strategy Investment Programs. Refer to Section 4 for details.
<b>In specie Transfers</b>	You can transfer your existing fixed income investments into your Individually Managed Account. In Specie transfers are subject to the investments meeting the parameters of your selected Investment Program, being sufficiently liquid to trade (having regard to market conditions), satisfying the minimum parcel sizes for Austraclear or Euroclear <sup>1</sup> , and being Australian currency.
<b>Funding Account</b>	<p>To use the Individually Managed Account Service, you will be required to open an at-call cash management account with Macquarie Bank Limited ACN 008 583 542 (“<b>Macquarie</b>”) (or a replacement bank selected by MST) (<b>Funding Account</b>) for each Investment Program.</p> <p>As a licensed Australian bank, Macquarie is subject to regulation by APRA. Macquarie also holds AFSL No. 237502 and is subject to regulation by ASIC. Fees and charges may be payable. Terms and Conditions apply and are included in the Product Information Statement that is available at: <a href="https://macquarie.com.au/personal">macquarie.com.au/personal</a></p> <p>You will appoint MST (and/or their Administrator) to operate and maintain the Funding Account(s) on your behalf, which will only be used for the purposes of your Individually Managed Account(s). Refer to Section 4 for further information regarding the Funding Account and its operation.</p>
<b>Fixed Income Securities</b>	<p>Your Individually Managed Account(s) will be invested in fixed income securities at MST’s discretion but in compliance with the parameters of the Investment Program(s) that you select.</p> <p>Examples of fixed income securities that may be in your Individually Managed Account(s) include:</p>

<sup>1</sup> Austraclear provides depository, registration, cash transfer and settlement services for debt instrument securities in financial markets in Australia and the Asia-Pacific region. Euroclear is a clearing house for securities traded in the Euromarket and specialises in the settlement of securities transactions as well as the safekeeping and asset servicing of these securities

FEATURE	DESCRIPTION
	<ul style="list-style-type: none"> <li>› Cash</li> <li>› Term deposits</li> <li>› Negotiable certificates of deposit</li> <li>› Bank bills</li> <li>› Commercial paper</li> <li>› Government, semi-government and index-linked bonds</li> <li>› Subordinated debt</li> <li>› Listed interest bearing securities</li> <li>› Listed Investment Companies</li> <li>› Mortgage-backed securities</li> <li>› Structured credit products</li> <li>› Asset-backed securities</li> <li>› Loans</li> <li>› Exchange Traded Funds (ETFs)</li> </ul> <p>The parameters for each Investment Program are described in more detail in Section 3.</p>
<b>Income Payments and Re-Investment</b>	<p>Coupons, interest, maturity payments, redemption payments, sale proceeds, repayments of principal and other distributions paid on each of your Individually Managed Account(s) will be paid directly into your Funding Account associated with your Investment Program. You may elect to:</p> <ol style="list-style-type: none"> <li>1. Have distributions, interest and coupons on your investments (net of fees and expenses and subject to maintaining the minimum balance) automatically transferred to your nominated account; or</li> <li>2. Accumulate income in your Funding Account(s) for reinvestment in accordance with your Investment Program(s).</li> </ol> <p>Refer to Section 4 for further information on income payments and reinvestment arrangements.</p>
<b>Withdrawing Funds and Terminating your Managed Portfolio Account</b>	<p>Subject to market conditions (including liquidity, volatility and pricing), you may withdraw funds from, or terminate, your Individually Managed Account(s) by giving MST:</p> <ol style="list-style-type: none"> <li>1. Five (5) Business Days written notice in respect of a request for a withdrawal; and</li> <li>2. Ten (10) Business days written notice in respect of a notice of termination.</li> </ol> <p>Assuming market conditions permit, when withdrawing your investment, you will have a choice between having:</p> <ol style="list-style-type: none"> <li>1. Your assets sold by MST and the proceeds paid to your associated Funding Account;</li> <li>2. Your assets transferred (in specie) out of your Individually Managed Account(s) but remaining in FIIG's custody (where applicable);</li> <li>3. Your assets transferred (in specie) out of your Individually Managed Account(s) to another custodian, at your direction; or</li> <li>4. A combination of the above.</li> </ol> <p>Transferring assets (in specie) out of your Individually Managed Account(s) to another custodian is subject to meeting the minimum Austraclear or Euroclear requirements.</p> <p>Unless you terminate your Individually Managed Account(s), you must maintain the Minimum Investment Amount per Investment Program unless failure to do so is due to a diminution in value of your portfolio (i.e. rather than withdrawals).</p> <p>Refer to Section 4 for further information on withdrawing or terminating your Individually Managed Account(s).</p> <p>Refer to Section 5 for information regarding the risks associated with a withdrawal or termination of your Individually Managed Account(s).</p>



FEATURE	DESCRIPTION
<b>Reporting</b>	<p>You will have secure online access to your monthly Individually Managed Account statement(s) via our Administrators portal (MyFIIG), detailing:</p> <ul style="list-style-type: none"> <li>› Investments</li> <li>› Portfolio Performance</li> <li>› Fixed income holding valuations</li> <li>› Funding Account balances</li> <li>› Investment income</li> <li>› Fixed income transactions</li> <li>› Security ratings</li> <li>› Portfolio expenses and fees</li> </ul>
<b>Key risks of investing through the Managed Income Portfolio Service</b>	<p>There are a number of risks associated with investing in a Individually Managed Account. Section 5 outlines those risks that MST believes to be material. Risks associated with making an investment in an Individually Managed Account include (but are not limited to) interest rate risk, market risk, credit risk, operational risk, liquidity risk, investment manager risk and the potential risk of losing part or all of your capital. You should understand the risks of making an investment in the Individually Managed Account Service and MST strongly recommends that you seek independent accounting, financial, taxation and legal advice tailored to your specific objectives, financial situation or needs, prior to making any decision to invest using the Individually Managed Account Service. MST does not provide tax advice and is not a registered tax agent or tax (financial) advisor, nor are any of MST's staff or authorized representatives. MST does not provide personal advice.</p>
<b>Conflicts of Interest</b>	<p>MST acts in a number of roles and capacities in relation to the Individually Managed Account Service which can raise some potential conflicts of interest, including:</p> <ul style="list-style-type: none"> <li>› Acting as Portfolio Manager of each individual Managed Account with investment discretion over its fixed income investments; and</li> <li>› Acting on behalf of multiple Individually Managed Accounts when transactions occur where one Individually Managed Account is selling a fixed income security and another Individually Managed Account is buying that fixed income security (e.g. acting on behalf of both the seller and buyer of Bonds).</li> <li>› Acting as counterparty to Individually Managed Accounts in relation to fixed income trades (i.e. it may buy Bonds from, and sell Bonds to, your Individually Managed Account(s) with other fixed income portfolios where MST is the appointed Investment Manager.</li> </ul> <p>Section 7 describes some of the significant conflicts of interest identified by MST, and how MST manages them.</p>
<b>Fees and Costs</b>	<p>MST will charge each of your Funding Account(s) on a prorated monthly basis:</p> <p><b>Management Fee (including GST) of:</b></p> <ul style="list-style-type: none"> <li>› 0.54% p.a. for the Conservative Income Program</li> <li>› 0.64% p.a. for the Income Plus Investment Program</li> <li>› By agreement for a Customised Investment Program</li> </ul> <p><b>Custody and Administration (including GST) being:</b></p> <ul style="list-style-type: none"> <li>› 0.11% p.a. for the first \$5m; and</li> <li>› 0.06% p.a. for amounts over \$5M</li> </ul> <p>The Management Fee and Custody and Administration Fee are calculated on the value of the investments in each of your Individually Managed Account(s). Refer to Section 4 for further information regarding how your investments are valued.</p>



### 3. Model Strategy Investment Programs

#### Overview

This section provides an outline of the two Model Strategy Investment Programs offered under the Individually Managed Account Service. Subject to meeting the Minimum Investment Amount of \$5m for each Model Strategy Investment Program, you may instruct MST to manage your Individually Managed Account(s) in accordance with one or more of the Model Strategy Investment Programs outlined below.

If you invest at least \$10 million through the Individually Managed Account Service, you may customise the parameters within which MST will manage your investments, under a 'Customised Investment Program'

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

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

#### 3.1 Conservative Income Investment Program

FEATURES		PARAMETERS	
Investment Objective	<p>The Conservative Income Investment Program aims to primarily invest in investment grade fixed income securities that have a high senior ranking in the issuer’s capital structure, aiming to provide:</p> <p>i. Direct access to regular income; and</p> <p>ii. Exposure to investment grade credit only.</p> <p>The Conservative Income Investment Program aims to provide investors exposure to a diversified portfolio of risk averse investment grade senior and subordinate fixed income securities which tend to produce reliable and regular income. This program will have a lower book value entry yield, a lower coupon (income) yield and a higher probability of capital stability than the Income Plus Investment Program.</p>		
Holding Limits % of total Investment in Investment Program (at the time an Investment is made)	Liquid Assets	Cash (excluding Funding Account minimum)	Limit Up to 100%
		Government/Semi-government	Up to 100%
	Issue Credit Rating (As rated by at least one internationally recognised credit rating agency)	Investment Grade Only	
	Capital Structure	Senior Debt	Up to 100%
		Subordinated Debt	Up to 20%
	Asset Backed Securities (As rated by at least one internationally recognised credit rating agency)	All Asset Backed Securities, including but not limited to Residential & Commercial Mortgage Backed Securities (RMBS & CMBS) and other loan receivables.	Up to 20%
	Fixed Income Issuer Concentration	Up to 25% exposure to any one issuer	
	Fixed Income Security Concentration	Up to 15% exposure to any one issue	
Minimum number of Bonds	A minimum of ten (10) Bonds will be included in each Individually Managed Account		
Maximum Modified Duration	The Individually Managed Account Modified Duration will not exceed five (5) years		
Approved Currencies	Only Australian dollar denominated investments		

## 3.2 Income Plus Investment Program

FEATURES		PARAMETERS	
Investment Objective	<p>The Income Plus Investment Program aims to invest in higher yielding fixed income securities, offering:</p> <p>i. Direct access to regular income; and</p> <p>ii. Investing in both senior and subordinated debt tranches of Sub-Investment Grade and Unrated securities.</p> <p>The Income Plus Investment Program aims to deliver investors an incrementally higher return than the Conservative Income Investment Program through exposure to a diversified portfolio of higher risk (senior and subordinate) non-investment grade fixed income securities, in conjunction with lower risk (senior and subordinate) investment grade fixed income securities, which collectively produce reliable and regular income. This program will have a higher book value entry yield, a higher coupon (income) yield and a lower probability of capital stability than the Conservative Income Investment Program.</p>		
			Limit
Holding Limits	Liquid Assets	Cash (excluding Funding Account minimum)	Up to 100%
		Government/Semi-government	Up to 100%
	Issue Credit Rating (As rated by at least one internationally recognised credit rating agency)	Investment Grade	Up to 100%
		Sub-Investment Grade & Unrated	Up to 20%
	Capital Structure	Senior Debt Only (secured and unsecured)	Up to 100%
		Subordinated Debt(secured and unsecured, investment grade only)	Up to 20%
	Asset Backed Securities (As rated by at least one internationally recognised credit rating agency)	All Asset Backed Securities, including but not limited to Residential & Commercial Mortgage Backed Securities (RMBS & CMBS) and other loan receivables.	Up to 40%
		Sub-Investment Grade Asset Backed Securities (BB tranche only)	Up to 20%
	Fixed Income Issuer Concentration	Up to 25% exposure to any one issuer	
Fixed Income Security Concentration	Up to 15% exposure to any one issue		
Minimum number of Bonds	A minimum of ten (10) Bonds will be included in each Individually Managed Account		
Maximum Modified Duration	The Individually Managed Account Modified Duration will not exceed five (5) years		
Approved Currencies	Only Australian dollar denominated investments		

## 4. How your Individually Managed Account works

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### Overview

The Individually Managed Account Service provides management, administration, reporting and custody services in relation to a portfolio of fixed income securities or investments and cash, providing you with access to MST's expertise in managing your fixed income investments. The service allows you to select from one or more of the Individually Managed Account Service Model Strategy Investment Programs outlined in Section 3. The assets in your Individually Managed Account(s) will be held by MST in your name, as beneficial owner, in custody with the appointed sub-custodian JP Morgan (or, in the case of the Funding Account(s) and term deposits, may be held directly in your name). As a Individually Managed Account Service's client, MST will construct and manage your fixed income portfolio in a manner consistent with the parameters of the Model Strategy Investment Program(s) you select. For investments in excess of \$10 million through the Individually Managed Account Service, you may customise the parameters within which MST is to manage your investments, under a "Customised Investment Program".

Your Individually Managed Account Service includes the following services:

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

### Applying for a Individually Managed Account

#### Individually Managed Accounts are only available to Wholesale

Clients who are Australian residents for tax purposes. Refer to the Individually Managed Account Application Form for information on how to apply.

### Fixed Income Securities

Your Individually Managed Account(s) will be invested in fixed income securities at MST's discretion but in compliance with the parameters of the Investment Program(s) that you select. Examples of fixed income securities that may be included in your Individually Managed Account(s) include:

- › Cash
- › Term deposits

- › Negotiable certificates of deposit
- › Bank bills
- › Commercial paper
- › Index-linked bonds
- › Government, semi-government and Corporate Bonds that are secured, unsecured, rated, unrated, senior or subordinated
- › Listed interest bearing securities
- › Listed investment companies
- › Asset-backed securities (including Residential and Commercial Mortgage Backed Securities (RMBS & CMBS) and other loan receivables)
- › Structured credit products
- › Loans
- › Exchange Traded Funds (ETFs)

The above list is not exhaustive. MST maintains an Approved Product List of fixed income securities in which your Managed Portfolio Account(s) may be invested. Pursuant to the Customised Investment Program, the APL may be altered subject to Client approval.

When considering which fixed income securities to include according to an Investment Program, your Portfolio Manager selects from the Approved Product List. When selecting from the Approved Product List MST considers a number of factors including, but not limited to, the suitability of the security for an Investment Program, the nature of the security, any redemption or conversion features a security may have and the credit risk of the issue or the issuer.

### Ownership of Assets – Custody

MST has appointed FIIG to act as custodian for the investments in your Individually Managed Account(s) (other than the Funding Account(s) and term deposit investments, which may be held directly in your name). FIIG has appointed JPMorgan as sub-custodian.

The legal interest in investments will be held with Austraclear or Euroclear, however the beneficial ownership will be recorded in your name by FIIG as custodian or the sub-custodian, JPMorgan. FIIG may change sub-custodians at its discretion and will to notify you in accordance with the Custody Agreement with FIIG.

You will need to enter into a Custody Agreement with FIIG. The terms of the Custody Agreement, which forms part of your IMA Contract, is found in Section 10 of this Memorandum, and available at [www.fiig.com.au/custodyterms](http://www.fiig.com.au/custodyterms).

## Minimum Investment Amount

The Minimum Investment Amount for each Model Strategy Investment Program is \$5 million, and \$10 million for a Customised Investment Program.

Should the value of your Investment in a Individually Managed Account fall below the relevant minimum investment amount for any reason (other than a diminution in value of your investments), MST may, at its discretion, choose to terminate your IMA Contract.

## Method of Contribution

Once you have entered into the IMA Contract with MST, you can choose to make your initial and any future additional contributions to your Individually Managed Account(s) by:

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

## In Specie Transfers

You can transfer your existing fixed income investments into your Individually Managed Account with our consent by completing a Individually Managed Account Service (In Specie) Transfer of Security Form. We will consent to in specie transfers where the investments meet the parameters of your selected Investment Program, are sufficiently liquid to trade (having regard to market conditions), satisfy the minimum parcel sizes for Austraclear or Euroclear and are Australian currency. Once received, fixed income investments will be valued based on the valuation principles outlined under Asset Valuations in this section. Upon transfer into your Individually Managed Account(s), fixed income investments may be held or sold at MST's discretion.

## Funding Account(s)

Individually Managed Account Service clients are required to open and retain a Funding Account for each Investment Program. Your Funding Account(s) will form the transaction cash account for the purposes of the Individually Managed Account Service, and will be used by MST to:

- › Fund the acquisition of assets that form part of your Managed Portfolio Account(s);
- › Receive maturities of your investments in your Managed Portfolio Account(s);
- › Receive income directly from your investments in your Individually Managed Account(s);
- › Make payments in connection with the Managed Income Portfolio Service, including fees and expenses; and
- › Accumulate income to be reinvested at MST's discretion – for investors who instruct MST to reinvest their income only.

When applying for a Individually Managed Account(s) you will provide MST with instructions to open, operate and maintain a Funding Account for each Investment Program on your behalf.

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

The Funding Account(s) will be opened in your name (matching the name of your Individually Managed Account(s)) and will not be held in custody by MST.

Under your IMA Contract, you provide authority to enable MST, at its discretion, to:

- › Access information about your Funding Account(s);
- › Make withdrawals from, or deposits to, your Funding Account(s) to settle securities acquired or sold in accordance with your Investment Program(s);
- › Make withdrawals from the Funding Account(s) for the purpose of paying fees and expenses related to your Individually Managed Account under the IMA Contract;
- › Deposit coupon and interest payments or maturing capital amounts; and
- › Instruct the Funding Account Provider of a change to the personal information associated with the Funding Account and use best endeavours to update these details within five (5) Business Days of receipt of written instructions from you. MST requires that:
  - You maintain a balance in each of your Funding Account(s) of at least 1% of the value of the Individually Managed Account associated with the Investment Program at any time to ensure sufficient funds are available to meet your fee and expense obligations; and
  - You do not use your Funding Account(s) for any purpose other than those relating to the Individually Managed Account Service and therefore consent to being provided with online view access to this account.

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

## Term Deposits

Similar to the Funding Account(s), any term deposits invested in your Individually Managed Account(s) may be acquired and held in your name directly. The power of attorney you give MST under the IMA Contract will enable it to open, access and transact on such term deposits on your behalf.

## Income Payments and Reinvestment

Income payments, including coupons, interest, maturity payments, redemption proceeds and other distributions on securities in each of your Individually Managed Account(s), will be paid into your Funding Account associated with your Investment Program upon receipt by MST.

When investment income is paid into your Funding Account, you may elect to:

1. Have your Investment income automatically transferred to another account you have nominated (note that the automatic transfer facility will not apply to any capital or capital gain realised on disposal of an Investment); or
2. Accumulate income in your Funding Account for reinvestment in accordance with your Investment Program.

If you elect to have your income reinvested, then income received will accumulate in each of your Funding Account(s) until sufficient funds are available to meet the minimum parcel size for the relevant fixed income security to be acquired by MST within your Individually Managed Account in accordance with your Investment Program. In these circumstances, MST may invest this accrued income in other Investment opportunities consistent with your Investment Program(s).

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

### Asset Valuations

MST will determine the valuation of your Individually Managed Account(s) for the purposes of providing you with reports and as the basis for calculating fees.

MST will determine values as follows:

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

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

Under the IMA Contract, you are required to give certain acknowledgements and undertakings regarding the use of third party valuation data provided through your Individually Managed Account Service. In addition you are required to indemnify MST (for the benefit of its third party service providers), for certain claims or losses suffered in respect of the Individually Managed Account Service.

### Reporting

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

- › Investments;
- › Portfolio Performance;
- › Holding valuations;
- › Funding Account balances;

- › Transactions;
- › Investment income;
- › Holding security ratings;
- › Portfolio expenses.

### Transaction Contracts and Coupon Advices

Contract notes providing details of each transaction MST makes in relation to your Individually Managed Account(s), as well as coupon advices, will be available through the MyMST client portal or by contacting MST on 1800 01 01 81 or [fixedincome@mstfinancial.com.au](mailto:fixedincome@mstfinancial.com.au).

### Investment Program Portfolio Holdings

Due to factors such as the timing at which you open your Individually Managed Account(s) and when MST makes an investment in connection with your Investment Program(s), and varying market liquidity for securities, not all clients selecting the same Investment Program will have the same portfolio of fixed income securities held in their Individually Managed Accounts at any one time.

### Maturing Fixed Income Securities

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

### Changing your Managed Portfolio Investment Program

You may change between Individually Managed Account Service Model Strategy Investment Programs, or for Customised Investment Programs change your parameters, by completing a Individually Managed Account Change of Details Form and for each new Investment Program a Individually Managed Account Application Form.

You must maintain the Minimum Investment Amount in each Investment Program, in which you invest. The Change of Details form is available on the [MST website](#) or by contacting MST on 1800 01 01 81 or [fixedincome@mstfinancial.com.au](mailto:fixedincome@mstfinancial.com.au).

Changing Investment Programs may involve the sale of some or all of the existing fixed income securities in your Individually Managed Account(s) to ensure that holdings align with your newly chosen Investment Program. Subject to market conditions, MST will seek to change your holdings in your Individually Managed Account(s) as soon as is reasonably practicable, following receipt of your Individually Managed Account Change of Details Form. However, you may experience a gain or loss of capital when switching between Investment Programs due to changes in the market (such as interest rate and credit movements), transaction costs in disposing of your securities, and securities in your Individually Managed Account being sold prior to maturity.

The time it will take to change the holdings in your Managed Portfolio Account(s), so that they are consistent with your new

Investment Program, may be influenced by a number of factors, including the market liquidity for certain fixed income securities at the time of switching. Whilst MST cannot guarantee the maximum period of time it will take to make the relevant adjustments to the holdings in your Individually Managed Account(s), MST believes that (in normal market conditions) it will generally take less than thirty (30) Business Days from the time MST receives your properly completed Individually Managed Account Change of Details Form and, where applicable, your Individually Managed Account Application Form.

### Withdrawal of Investments

Subject to market conditions (including liquidity, volatility and pricing), and maintaining the Minimum Investment Amount, a request to withdraw some or all of your Investment may be made by submitting a Individually Managed Account Service Withdrawal or Termination Form to MST. These forms are available on the [MST website](https://www.mstfinancial.com.au) or by contacting MST on (02) 8999 9988 or [fixedincome@mstfinancial.com.au](mailto:fixedincome@mstfinancial.com.au). You may request MST to satisfy your withdrawal by the following options:

1. Having your assets sold by MST and the proceeds paid to your Funding Account associated with your Investment Program;
2. Having your assets transferred (in specie) out of the Individually Managed Account but remaining in FIIG's custody (where applicable);
3. Having your assets transferred (in specie) out of the Individually Managed Account to another custodian, at your direction; or
4. A combination of the above.

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

Where a cash withdrawal is requested, MST may need to sell assets to fulfil your request. Due to a potential lack of market liquidity at the time of your withdrawal request, this may result in a delay in the satisfaction of your withdrawal request and a potential loss of capital (as outlined in the description of "Early Withdrawal Risk" in Section 5).

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

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

To terminate your Individually Managed Account(s) you must give MST ten (10) Business Days' written notice by completing a Individually Managed Account Service Withdrawal or Termination Form.

Upon termination of your Individually Managed Account(s), if you elect for MST to sell your assets and pay the proceeds to your Funding Account(s), MST will undertake best endeavours to sell the

Bonds as soon as is reasonably practicable considering market conditions (including the liquidity of the securities).

Funds received in relation to the sale of individual fixed income securities held in your Individually Managed Account will be deposited into your Funding Account associated with your Investment Program as each holding is sold. You should be aware that selling assets under this option may result in a reduction of capital value and capital losses as outlined in Section 5.

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

Upon finalisation of your termination request, MST will no longer operate or maintain your Funding Account and will therefore notify the Funding Account Provider that MST's authority has been terminated. MST will use best endeavours to arrange for your complete online access to this account within ten (10) Business Days of receipt by MST of a completed Individually Managed Account Service Withdrawal or Termination Form and other form/s as required by Macquarie from time to time.

### Allocation of Investments

When seeking to transact MST anticipates that there may be times where:

1. Demand for a particular fixed income security in relation to Individually Managed Account Service clients exceeds the available supply at the relevant time and price; or
2. Supply of a particular fixed income security held in clients' Individually Managed Accounts exceeds the demand at the relevant time and price.

MST maintains a policy as to how it will determine allocations between Individually Managed Account Service clients in these circumstances.

### Compliance with Investment Program

The parameters of your Investment Program apply only at the time each Investment is made or entered into. If your Individually Managed Account ceases to comply with your Investment Program limits after an Investment is made (e.g. because of changes in value of assets within your portfolio), such change will not constitute noncompliance with of your Investment Program or a breach of the IMA Contract. In these circumstances, MST will use its reasonable endeavours to rebalance your portfolio to ensure it satisfies the parameters of your chosen Investment Program as soon as is reasonably practicable after becoming aware of the imbalance. A rebalance in these circumstances might include selling investments.



## 5. Risks

### Overview

There are a number of risks associated with investing in a Individually Managed Account and using the Individually Managed Account Service and it is important you understand the risks that can affect your investments. Set out on the following pages are some of the significant risks associated with using the Individually Managed Account Service and your Investment in a Individually Managed Account. The risks described are not exhaustive and MST cannot eliminate all risks nor guarantee that the methods MST may use will be successful in managing the risks.

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

Your decision to invest in a Individually Managed Account using the Individually Managed Account Service might be influenced by:

- › The period of time you are looking to invest; whether you need capital growth on your Investment, are seeking capital preservation and/ or require a regular income;
- › Whether you would prefer to make specific self directed Investment decisions; and

- › How the risks associated with an Investment in a Individually Managed Account interact with your other investments.

As the risks noted in this IMA Information Memorandum do not take into account your particular circumstances, objectives, financial situation or needs, you should consider taking the following steps before making a decision about investing or reinvesting in a Individually Managed Account:

- › Obtain professional advice to determine if the Individually Managed Account Service and Investment Program suit your
- › particular investment objectives, financial situation and needs; and
- › Regularly review your Investments in light of your particular Investment objectives, financial situation and needs.

There is no guarantee of the Performance of the investments within the limits or guidance of the Investment Program. Investing in a Individually Managed Account may result in a partial or total loss of capital invested.

RISK	DETAILS
<b>General Risk</b>	In general, cash and fixed income securities can provide greater certainty in income flows and can offer greater capital price stability than alternative investments, such as shares and property. However, there are a number of risks associated with investing in fixed income securities that can result in significant variability in investment returns and a loss of income or capital value.
<b>Credit Risk</b>	Credit risk is the risk of loss incurred when the issuer of a Bond or other security fails to meet their principal, interest or other obligations when they are due. In these circumstances the security can lose some or all of its value.
<b>Capital Risk</b>	Capital risk refers to the possibility of losing all or part of your capital invested. The level of capital risk varies depending on which investments you hold in your Individually Managed Account(s). In general, holding a diversified, well-rated portfolio of Bonds which sit higher up the capital structure will lessen your capital risk.
<b>Liquidity Risk</b>	Liquidity refers to the ease with which an asset can be traded (bought and sold) in the marketplace at its current value. Some fixed income securities can be more liquid than others, with lower rated structured Bonds generally being less liquid than higher rated vanilla Bonds. An asset subject to liquidity risk may be more difficult to trade and it may take longer for the full value of the asset to be realised (if it can be realised at all).
<b>Market Risk</b>	Market risk is the risk that the value of the assets in your Individually Managed Account will decrease due to movements in markets caused by factors such as the movement of cash rates, outright interest rates, interest rate curves, credit spreads, the stock market, political and economic climate, legal and tax conditions, commodity prices and environmental events.
<b>Regulatory and Business Risk</b>	Changes in corporate, taxation or other relevant laws, regulations or rules may adversely impact your Investment. For example, such changes may adversely affect the ability to execute certain Investment strategies, which could have a material effect on Performance. The laws affecting unregistered managed investment schemes and managed discretionary accounts may also change in the future.
<b>Concentration Risk</b>	Concentration risk relates to the risk that a portfolio of assets may experience a higher level of volatility or loss when exposed to a smaller number of investments. The Investment Programs have limits as to the minimum number of Bonds your Individually Managed Account(s) will hold.



RISK	DETAILS
<b>Subordinated Debt Risk</b>	Each Investment Program has limits on the amount of subordinated exposure it can take. In the event of a default, subordinated debt will generally recover less capital and income than senior debt thus increasing the size of your loss should a Bond default.
<b>Volatility Risk</b>	Volatility risk refers to the potential for the price of securities in your Individually Managed Account(s) to vary, sometimes markedly and over a short period of time. The value of your portfolio at any time will be subject to market movements.
<b>Investment Manager Risk</b>	Manager risk is the risk that the Investment Manager or Investment strategy relating to an Investment Program underperforms as a result of negative factors impacting the Portfolio Manager's ability to appropriately manage the Individually Managed Account according to the agreed Investment Program objectives. These factors include, but are not limited to, the loss of key staff and inadequate portfolio management systems.
<b>Interest Rate Risk</b>	Movements in domestic and international interest rates may cause the value of your Investment to decline.
<b>Operational Risks</b>	The risk of loss resulting from inadequate or failed internal processes, people and systems. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third-party failures or crisis events.
<b>Early Withdrawal and Termination Risk</b>	Unless you have provided notification of a withdrawal or termination in relation to your Individually Managed Account(s), your portfolio will be managed on the basis that you will continue to invest in the Investment Program(s) for the long term. Should you seek a withdrawal or termination of your Individually Managed Account(s), MST will seek to satisfy your request in accordance with the procedures outlined in the Investment Management Agreement. This may result in you receiving less back than you would if you held your investments until their maturity date.
<b>Counterparty Risk</b>	Counterparty risk is the risk of loss due to a counterparty not honouring financial commitment, which may cause the value of your Individually Managed Account(s) to fall. Counterparties include custodians, dealers, sellers, buyers, brokers, settlement houses, issuers of fixed interest securities, banks and other Authorised Deposit-taking Institutions.
<b>Inflation Risk</b>	The real value of the investments in, and income earned on, your Individually Managed Account(s) may reduce over time as a result of inflation.
<b>Portfolio Establishment Risk</b>	It may take time for your Individually Managed Account(s) to become fully invested. During the initial deployment of the amounts you invest in your Individually Managed Account(s), your portfolio may not be diversified in line with the limits outlined in your Investment Program(s) and be subject to greater volatility than once your Investments are fully deployed.
<b>Delay in the reinvestment of income</b>	<p>If you instruct MST to reinvest income earned on your Individually Managed Account(s), it may take time for this income to be reinvested. For instance, delays to reinvesting may arise if:</p> <ul style="list-style-type: none"> <li>› There are insufficient funds in your Funding Account(s) to meet the minimum Investment size for a particular fixed income security; or</li> <li>› There is a lack of market liquidity, which causes delays in MST identifying a suitable Investment opportunity.</li> </ul> <p>Such delays may cause your income to remain in your Funding Account(s) where it may earn less interest than if it were invested in accordance with your Investment Program(s).</p>
<b>Conflict of interests risk</b>	MST acts in a number of capacities in relation to the Individually Managed Account Service which can raise some potential conflicts of interest. While such conflicts are managed by the MST, any residual conflicts could adversely impact the returns on your Managed Portfolio Account(s).
<b>Valuation</b>	As set out in Section 4, MST's methodology and the calculation of the value or price of the securities or fixed income investments included in your Individually Managed Account(s) are subject to market changes and change without notice to you and may vary from the actual market price available to transact in these securities from time to time. MST does not guarantee or represent the accuracy or reliability of the valuation or pricing as set out in Section 4, which may be obtained by MST from external sources.

## 6. Fees

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

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

### Management, Custody & Administration Fee

The Management Fee is:

- › 0.54% p.a. (inclusive of GST) for the Conservative Income Program
- › 0.64 % p.a. (inclusive of GST) for the Income Plus Investment Program
- › By agreement for a Customised Investment Program.

The Management Fee is calculated daily on the value of the investments in each of your Individually Managed Account(s) and charged monthly in arrears. Amounts held in your Funding Account(s) will be included in MST's calculation of the Individually Managed Account balances and therefore Management Fees will also be charged on these amounts for each Investment Program.

### Custody and Administration:

The Custody and Administration Fee is calculated daily on each of your Individually Managed Account balances and charged monthly in arrears. The Custody and Administration Fee is as follows:

- › 0.11% p.a. for the first \$5M; and
- › 0.06% p.a. for amounts over \$5m.

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

Refer to "Asset Valuation" in Section 4 for an explanation of how the value of the investments in your Individually Managed Account(s) are determined.

### Expenses

MST is entitled to be reimbursed for any third-party expense incurred in managing your Individually Managed Account(s) including (but not limited to) all taxes, charges, fees and expenses in connection with buying, selling or holding investments.

For clarity, this does not include expenses incurred by MST in its capacity as the counterparty (acting as principal) to transactions entered into for your Individually Managed Account(s). MST will bear the cost of the sub-custodian's fees in respect of your Individually Managed Account(s). That is, these amounts will not be charged to your Funding Account(s).

## 7. Conflicts of Interest

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MST is acutely aware of the inherent conflicts of interest which may arise from its provision of the IMA Programs and has established a number of procedures to effectively manage these conflicts to address the interests of our clients.

MST performs a number of roles in relation to your Individually Managed Account(s) including:

- › Acting as Portfolio Manager with Investment discretion over your fixed income investments; and
- › Acting on behalf of multiple Individually Managed Account holders when transactions occur where a Individually Managed Account is selling a fixed income security and another Individually Managed Account is buying that fixed income security (i.e. acting on behalf of both the seller and buyer of Bonds).
- › Acting as counterparty to Individually Managed Accounts in relation to fixed income trades (i.e. it may buy Bonds from, and sell Bonds to, your Individually Managed Account(s) with other fixed income portfolios where MST is the appointed Investment Manager.

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When you sign a Individually Managed Account Application Form, you acknowledge disclosure of MST's conflicts of interest and give your informed consent to MST to act on your behalf notwithstanding the conflicts of interest.

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### Price negotiation by the Portfolio Manager

Bond transactions are executed at prices negotiated directly by the Portfolio Manager with an external trading counterparty. The price you pay (or receive) reflects the prevailing market conditions at the time of the trade and the outcome of that negotiation process.

### Transactions between two Individually Managed Accounts of the Individually Managed Account Service

MST may arrange transactions where an Individually Managed Account is selling a Bond and another Individually Managed Account is buying that Bond. In this case, MST acts as the principal to each transaction to ensure orderly execution. The price transacted will be calculated either by:

1. Sourcing an intraday price from an independent third-party fixed income valuations provider, or
2. Sourcing a price from a third-party dealer which can be executed at the required parcel size, or
3. Sourcing the previous days' closing price from an independent third-party fixed income valuations provider and adjusting for movements in interest rates and/or credit spreads on the day of transaction.

The Portfolio Manager has the discretion to select the most appropriate pricing methodology based on factors including market conditions, liquidity, and transaction size. The chosen

method will reflect an objective approach to determining a transaction price appropriate for both accounts involved.

### Portfolio turnover

MST's Audit, Risk and Compliance Committee (ARCC) monitor the turnover of each Individually Managed Account. See below for more details about the role and responsibilities of the ARCC.

### Governance and Separation

The Portfolio Manager and portfolio management team responsible for the day-to-day management of your Individually Managed Account(s), including making Investment decisions, is a separate MST division from any other MST business unit.

### Audit by Shared Services and Compliance Teams

The Risk and Compliance Committee (RCC) is charged with oversight of the compliant operation of the Individually Managed Account Service. The RCC is comprised of Directors of MST, Responsible Managers and other key personnel who meet quarterly.

### Investment Committee

MST has established an Investment Committee to oversee and support the Portfolio Manager. The Investment Committee members are MST employees or external individuals with suitable qualifications and experience. Specific responsibilities of the Investment Committee include:

- › Formalising, endorsing and overseeing all risk management processes and protocols;
- › Acting as an escalation forum in the event of material financial events;
- › Providing a consultative forum for the Portfolio Manager, providing guidance and input to portfolio strategies and ideas;
- › Approving the addition of new types of products to the Approved Product List; and
- › Supervision and review of the ongoing compliance and performance by MST according to the terms of the IMA Contract;
- › Review of compliance of Individually Managed Accounts with their Investment Programs;
- › Review of portfolio turnover.

### Commissions MST pays

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

### Referral Scheme

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

## 8. General Information

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### Portfolio Manager,

MST is the Portfolio Manager of the Individually Managed Account Service.

### Administration and Custodian

FIIG Securities Limited ("FIIG") is the appointed Administrator and Custodian for your Individually Managed Account(s). FIIG has appointed JPMorgan as sub-custodian for the Individually Managed Account Service. A new custodian or sub-custodian may be appointed at any time in the future. You will be provided advance notice if this is to occur.

### No personal advice

MST does not provide any personal advice to clients in relation to IMA.

Any financial product advice that MST provides in relation to the Individually Managed Account Service will be general advice only and will not take into account your objectives, financial situation or needs.

### Wholesale Clients only

The Individually Managed Account Service and Individually Managed Accounts are only available to "wholesale" clients as defined by s 761G, and "sophisticated investors" as provided for in s 761GA of the *Corporations Act 2001* (Cth).

### Auditor

FIIG, as the Administrator and Custodian of the Individually Managed Account Service appoints a suitably qualified independent auditor to undertake annual GS007 audits. The GS007 audit reviews the internal control environment applicable to fixed income custodial services provided to clients and the relevant technology used to provide these services. MST has also appointed an auditor to undertake an annual audit of its financial statements and AFSL licence compliance.

Details of the auditor are available on request.

### Privacy

MST has created a Privacy Policy ("**Privacy Policy**") in order to demonstrate MST's firm commitment to your privacy. MST is bound by the *Privacy Act 1988* (Cth) and the Australian Privacy Principles.

MST will update the Privacy Policy as required. If it is changed, the changes will be included in MST's Financial Services Guide and posted on [www.mstfinancial.com.au/privacy-policy](http://www.mstfinancial.com.au/privacy-policy) so that you are always aware of the sort of information collected, how the information may be used, and under what circumstances it may be disclosed by MST.

Please note that if at any time MST is required by law to release information about you or your organisation, MST must cooperate fully. This Privacy Policy does not apply to acts or practices of MST that are directly related to employee records of current or former employees.

### What sort of information does MST collect?

The personal information MST collects includes (but is not limited to) your name, address, contact details including email address, tax

file number, any transactions carried out by you through MST or pursuant to services provided by MST and banking details.

MST collects information about you ('Information') in the following ways:

- › MST collects Information about you when you or your agent perform transactions with MST, or with third parties when MST
- › is acting in its capacity as a fixed income dealer and during the course of MST providing you with its services in its capacity as a licensed dealer in financial products, provision of managed discretionary services and custodian.
- › MST collects Information about you when you send MST an email, namely, your email address and any other personal information which you disclose in your email.
- › MST collects Information about you when you register on MST's website [www.mstfinancial.com.au/privacy-policy](http://www.mstfinancial.com.au/privacy-policy)
- › MST collects Information about you when you register as a client of MST either by telephone, written communications, email or on MST's website:

### What happens if you do not provide the Information?

If you do not supply sufficient personal information to MST, MST may not be able to carry out your instructions to perform transactions in relation to financial products or MST's other services, to ensure that the financial products and money due to you is able to be transferred to you, or to provide you with information arising out of your business relationship with MST.

### Why does MST collect the Information and how is your Information used by MST?

MST collects the Information to provide you with MST's services as a provider of managed discretionary services. For example, MST may use the Information you provide to us to comply with your instructions relating to transactions in financial products. MST also uses the Information to send you information (either by email or post) that you request, for example, contract notes, trade confirmations. If at any time you receive material that you did not request, or do not want to receive such material any more, please inform us by correcting and updating your profile as discussed below.

### Who does MST disclose personal information to?

MST will not sell, rent, trade or otherwise supply to third parties any personal information obtained from you unless you consent. MST will supply to third parties (for example financial institutions) personal information obtained from you in order to carry out transactions in financial products which you have instructed us to perform.

MST may develop aggregate (that is, not individual) reports which incorporate some of the Information. The reports are for use by MST and its business partners, however, these reports do not include any personally identifiable information.

Insofar as MST contracts with a service provider to assist in recording or storing all personal information, MST will ensure that any such service provider has the same level of privacy and confidential commitment which MST agrees to maintain with you as its client. To a limited extent, MST may need to disclose your personal information to overseas recipients. The most common reason for MST disclosing information overseas is because MST uses service providers to perform some functions on its behalf, and some of these service providers are located overseas. These service providers perform technology services and are located in the United Kingdom. Service providers may transfer personal information inside of and outside of the European Economic Area. You will be required to consent to this overseas disclosure in the IMA Contract and your Individually Managed Account Application Form. In consenting to the disclosure of your personal information to overseas recipients you understand:

- › Overseas recipients will not be accountable under the Privacy Act and you will not be able to seek redress under the Privacy Act where the overseas recipient handles your personal information in breach of the Australian Privacy Principles.
- › Overseas recipients may not be subject to any privacy obligations or to principles similar to the Australian Privacy Principles.
- › You may not be able to seek redress in the overseas jurisdiction.
- › Overseas recipients are subject to foreign laws that could compel the disclosure of your personal information to a third party, such as an overseas authority.

#### **How will MST keep your personal Information secure?**

MST has security measures in place designed to protect against the loss, misuse or alteration of the Information under its control. These security measures are as follows:

- › Access to the Information by employees of MST is restricted to those employees and MST Representatives who are required to access the Information in order to carry out your instructions in relation to transactions in financial products.
- › MST has clauses in employee contracts requiring confidentiality of MST's clients and the Information.
- › MST may store your personal information in hard copy form or electronically and maintains physical security, such as locks and monitored alarm systems, over its premises. MST also utilises secure data centres, technology, firewalls and other sophisticated security measures and passwords to maintain and control the security of our computer network.
- › Any service providers which MST engages will be expected to adopt the same type of security measures as above to ensure the privacy and confidentiality of your personal information.

#### **Correcting and updating your profile**

MST gives you the following options for accessing and modifying Information previously provided:

- › You may gain access to Information that MST has collected about you, by contacting the person named below. We will not charge you for responding to such a request, unless we incur costs in providing the Information.
- › You may contact the person named below, by telephone, written communications, or email to notify MST of the necessary corrections or updates to the Information.

#### **Privacy complaint**

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

#### **Contact**

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

MST Financial Services Pty Ltd (ACN 617 475 180)  
Level 13, 14 Martin Place  
Sydney, NSW 2000

Telephone: +61 490 116 085

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

## 9. Tax

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### Taxation information

#### Australian taxation

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

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

Generally, you will be liable to pay tax on any assessable income that arises in relation to the disposal of assets or otherwise in respect of those assets, and on interest and income from your investments during the financial year (even if the income is reinvested). This assumes that you can treat yourself as being directly taxable in respect of all income or gains attributable to the assets and that you have an absolute, indefeasible entitlement as against the Custodian. The relevant law in this area is complex and the Australian Taxation Office (**ATO**) has a current practice of not seeking to disturb the position of ignoring custody arrangements consisting of bare trusts (except where the trustee would have an obligation to withhold or is otherwise liable to pay tax in respect of you).

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

It is not compulsory for you to quote your Tax File Number ("**TFN**"). MST is authorised to collect TFNs under taxation law and the Privacy Act, and those laws also regulate use and disclosure of TFNs.

In order to open your Individually Managed Account(s), MST requires you to quote your TFN or ABN in the relevant section of the Individually Managed Account Application Form.

By supplying your TFN or ABN, you authorise MST to apply it to all investments made through the Individually Managed Account Service on your behalf.

#### Common Reporting Standard (CRS)

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

#### US Foreign Account Tax Compliance Act (FATCA)

MST is registered as a Reporting Australian Financial Institution under the Inter-Governmental Agreement ("**IGA**") in relation to FATCA. MST will conduct due diligence on investors to comply with the MST's obligations under the IGA. Prospective investors will need to provide MST with certain information and/or documentation when applying for a Individually Managed Account and existing investors may need to provide MST with certain information and/or documentation on request.

MST will report information in respect of certain investors and their Individually Managed Account to the ATO. Broadly, MST will report to the ATO information in respect of investors who are U.S. citizens or residents, certain types of U.S. entities or certain types of non-U.S. entities that are controlled by one or more U.S. citizens or residents, and will also report information to the ATO on any payments made to "Non-participating Financial Institutions", as defined in the IGA. If an investor does not provide MST with the required information and/or documentation upon request, MST may be required to report information in respect of that investor and its Individually Managed Account to the ATO. In accordance with the IGA, the ATO will share information reported to it by Reporting Australian Financial Institutions (as defined in the IGA) with the U.S. Internal Revenue Service.

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



## 10. IMA Contract

Your IMA Contract with MST comprises:

- › The Investment Management Agreement as set out below;
- › The Custodian's (FIIG) Client Custody Agreement (the terms of which may be downloaded at [www.FIIG.com.au/custodyterms](http://www.FIIG.com.au/custodyterms)); and
- › Your Individually Managed Account Application Form, which will also serve as the MST Client Account Application Form for the purposes of your Client Custody Agreement.

### Investment Management Agreement

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

**Parties:** You and MST

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

**MST:**

Name MST Financial Services Pty Ltd

ABN 54 617 475 180

AFSL 500557

Address Level 13, 14 Martin Place  
Sydney NSW 2000

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1. Definitions

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

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

**"Administrator"** means the administrator appointed from time to time. The initial Administrator will be FIIG.

**"Adviser Service Fee"** means the fee payable to your Adviser as set out in Schedule 1.

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

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

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

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

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

**"Bond"** includes:

- a. Corporate bonds (secured, unsecured, senior, subordinated and/or guaranteed)

- b. Government and semigovernment bonds;

- c. Index-linked bonds;

- d. Asset backed securities (e.g. Residential and Commercial mortgage backed securities, and other loan receivables); and

- e. Structured credit products.

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

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

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

**"Conservative Income Investment Program"** means the Investment Program the investment objectives and parameters for which are set out in section 3.1 of the IMA Information Memorandum.

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

**"Custody and Administration Fee"** means the custody and administration fee set out in Schedule 1.

**"Customised Investment Program"** means an Investment Program the terms of which are specified in section 12 of your Individually Managed Account Application Form or an Instruction given under clause 6.2.

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

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

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

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

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

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

**"GST"** means any goods and services tax, consumption tax, value-added tax or any impost or duty which is or may be levied or becomes payable in any jurisdiction in connection with the supply of goods or services.



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

**“Income Plus Investment Program”** means the Investment Program the investment objectives and parameters for which are set out in section 3.2 of the IMA Information Memorandum.

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

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

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

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

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

**“Investment Program”** means the investment program for your Individually Managed Account, being one of the following:

- a. The Conservative Income Investment Program;
- b. The Income Plus Investment Program; or
- c. A Customised Investment Program, as specified by you in section 9 of your Individually Managed Account Application Form or an Instruction given under clause 6.2.

**“Individually Managed Account Service”** means the Individually Managed Account Service that MST provides which is governed by the IMA Contract.

**“Individually Managed Account”** means your portfolio of Investments managed by MST under the Individually Managed Account Service (under a particular Investment Program), and includes your Funding Account.

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

**“IMA Contract”** means the agreements governing your Managed Income Portfolio Service, comprising this Agreement, the Client Custody Agreement and the Individually Managed Account Application Form.

**“IMA Information Memorandum”** means the MST Individually Managed Account Service Information Memorandum, which accompanies this Agreement.

**“Macquarie Bank”** means Macquarie Bank Limited ACN 008 583 542.

**“Management Fee”** means the management fee set out in the Schedule 1.

**“Minimum Investment Amount”** means \$5 million per Investment Program, or \$10 million for a Customised Investment Program, or, in each case, such lesser amount as MST may agree. MST may vary the Minimum Investment Amount by notice to you.

**“Modified Duration”** means a measure of the price sensitivity of a Bond to interest rate movements. Typically modified duration provides an estimate of how a Bond will change in price for each 1% movement in interest rates. For example, if interest rates change by 1% then a \$100,000 par value Bond with a six-year modified duration could expect a corresponding 6% change in its price.

**“Model Strategy Investment Program”** means the investment program for your Individually Managed Account, being one of the following:

- a. The Conservative Income Investment Program;
- b. The Income Plus Investment Program; or

**“MST”** means MST Financial Services Pty Ltd, ACN 617 475 180

**“Client Trust Account”** means the trust account (if any) held in FIIG or the Custodian’s name in connection with your Individually Managed Account.

**“MST Group”** means MST and each of its related bodies corporate from time to time, as that term is defined in the *Corporations Act 2001* (Cth).

**“Performance”** for your Investment Program, means the annual income, including any interest, coupons or other distributions, plus any realised capital gains or losses, net of Management Fees and Custody and Administration Fees.

**“Portfolio Manager”** means the division within MST that is responsible for the day-to-day management of your Individually Managed Account, including making investment decisions.

The Portfolio Manager division is separate to MST’s other business units.

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

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

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

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

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

## 1.2 Interpretation

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

- a. The singular includes the plural and vice versa;
- b. A reference to a person includes a reference to a body
- c. corporate, a government organisation, body or instrumentality, an unincorporated body or any other entity;
- d. A reference to this Agreement or any other document includes
- e. any variation, replacement or novation of it;
- f. A reference to a thing includes a reference to any part of that thing;
- g. A reference to any party to this Agreement where relevant includes the party's successors and permitted assigns;
- h. A reference to "dollars" or "\$" is a reference to Australian
- i. currency;
- j. Where a word or phrase is defined, its other grammatical terms
- k. have a corresponding meaning;
- l. A reference to conduct includes, without limitation, any
- m. omission, statement or undertaking, whether or not in writing;
- n. A word or phrase appearing in a certain context which, when used in a similar context in the Corporations Act 2001 would
- o. have a particular meaning, has that meaning in this Agreement; and
- p. If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.

## 2. INTRODUCTION AND COMMENCEMENT

This Agreement sets out the terms on which you appoint MST to manage the Investments that comprise your Individually Managed Account for a particular Investment Program. It commences on the date when both (a) MST has approved your Individually Managed Account Application Form and (b) you have contributed cash or other Investments (or both) to your Individually Managed Account for that Investment Program with a value not less than the Minimum Investment Amount ("Commencement Date").

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

## 3. APPOINTMENT

You appoint MST as your agent to invest and manage your Individually Managed Account on the terms set out in this Agreement. MST accepts that appointment.

You will direct the Custodian to act in accordance with instructions given by MST as your agent and on your behalf in accordance with this Agreement and you appoint MST and their Administrator and Custodian in the capacity each as individually "Authorised Person" for the purposes of your Client Custody Agreement, and the Custodian can rely on this Agreement as constituting such a direction.

## MST'S OBLIGATIONS AND POWERS

### 4.1 MST's obligations

MST must manage your Individually Managed Account in accordance with this Agreement, including the parameters of your Investment Program, and any Instructions you give MST in accordance with this Agreement.

### 4.2 Investment parameters

- a. The parameters for your Investment Program apply only at the time an Investment is acquired. If your Individually Managed Account breaches a parameter of your Investment Program after that time (for example because of changes in value), this will not constitute a breach of this Agreement. In these circumstances, MST must use its reasonable endeavours to rebalance your Individually Managed Account to bring it back into compliance with the parameters of your Investment Program as soon as reasonably practicable, having regard to the market conditions (including liquidity, volatility and pricing), after it becomes aware of the non-compliance.
- b. The parameters for your Investment Program will not apply for the 30 day period following:
  - i. The Commencement Date; and
  - ii. Each date on which you make an additional contribution to your Individually Managed Account.

### 4.3 MST's powers and authority

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

These include powers:

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

## 5. MAKING CONTRIBUTIONS OR WITHDRAWALS

### 5.1 Making a contribution

You may contribute cash to your Individually Managed Account by making payments to your Funding Account. You may also, subject to MST's consent, contribute Investments to your Individually Managed Account by transferring them to the Custodian or a combination of the above (cash and in-specie transfer).

Any contribution by a transfer of Investments must be accompanied by completed form(s) in such form as MST may approve from time to time.

## 5.2 Withdrawals

- a. Subject to market conditions (including liquidity, volatility and pricing), you may make a Withdrawal from your Individually Managed Account by giving five (5) Business Days written notice (ten (10) Business Days written notice for termination) and completing and lodging with MST a Withdrawal request in such form as MST may approve from time to time.
- b. For each Withdrawal:
  - i. The value of your Individually Managed Account must, immediately following completion of the Withdrawal, be not less than the Minimum Investment Amount for your Investment Program. If a Withdrawal would result in your Individually Managed Account value being less than the Minimum Investment Amount, you acknowledge that MST may, and you authorise MST to, at its discretion, either treat the Withdrawal request as being revoked by you or deem it to be a termination notice in accordance with clause 12.1; and
  - ii. You acknowledge that MST may, and you authorise MST to, deem the Withdrawal request to relate to more or less than the amount specified in the Withdrawal request if necessary to effect or execute the request, for example, if minimum transaction sizes for Investments in your Individually Managed Account do not match the Withdrawal amount requested.
- c. Subject to market conditions permitting, you may request that MST satisfy a Withdrawal request wholly or partially by an in specie transfer of Investments to you or your nominated custodian (which may include the Custodian). You acknowledge and agree that you will not request the transfer of an Investment:
  - i. To a person who is prohibited from holding it, including under the terms of the relevant Investment (for clarity, this might require the person to be a participant of either or both of Austraclear and Euroclear); or
  - ii. Where the transfer will not meet any applicable Austraclear or Euroclear minimum parcel size requirements. If you make no such request, MST will endeavour to satisfy the request by selling the Investments.
- d. You acknowledge that MST will use its best endeavours to satisfy a Withdrawal request as soon as is reasonably practicable following receipt of your request.
- e. A withdrawal of your entire Individually Managed Account will constitute termination of this Agreement in respect of the relevant Investment Program by you in accordance with clause 12.1, and you acknowledge that MST will use its best endeavours to satisfy a Termination request as soon as is reasonably practicable following receipt of your request and having regard to market conditions (including liquidity, volatility and pricing).

## 6. INSTRUCTIONS

### 6.1 Instructions

You may give Instructions to MST in relation to:

- a. Withdrawals in accordance with clause 5.2 or termination of this Agreement under clause 12;
- b. Changing your Investment Program under clause 6.2;
- c. How to deal with income and certain other payments received on the Investments in your Individually Managed Account, under clause 7.3; or
- d. Payment of any Adviser Service Fee.

You acknowledge that MST will not be required to comply with an Instruction to the extent that MST reasonably considers the Instruction to be ambiguous, unclear, in conflict with any Relevant Law or outside the scope of this clause 6 and you agree that the Instruction is to be treated as withdrawn in these circumstances.

### 6.2 Changing your Investment Program

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

- a. Change the Investment Program for your Individually Managed Account (or a portion of it) to another Investment Program (subject to meeting the Minimum Investment Amount requirements for all applicable Investment Programs); and
- b. Change the terms of your Customised Investment Program (if applicable). You acknowledge that MST will use its reasonable endeavours to comply with any Instruction given under this clause 6.2, having regard to market conditions (including liquidity, volatility and pricing), Minimum Investment Amounts and the parameters of the relevant Program.

## 7. FUNDING ACCOUNT AND CLIENT TRUST ACCOUNT

### 7.1 Funding Account requirements

- a. You must at all times maintain a balance in the Funding Account of at least 1% of the value of your Individually Managed Account. If your Funding Account balance falls below this minimum level, you authorise and direct MST to, at its discretion, dispose, in part or in full, of one or more Investments in your Individually Managed Account, or deem you to have provided a notice to terminate this Agreement pursuant to clause 12.1.
- b. You must not take any action with respect to the Funding Account (including giving any instruction to the ADI with which the Funding Account is held), which adversely affects MST's ability to perform its obligations under this Agreement.

### 7.2 Operation of Funding Account

All payments received in respect of the Investments in your Individually Managed Account (whether income or capital) will be paid into your Funding Account. You authorise and direct that MST and/or their Administrator and Custodian may draw and deposit funds from and to the Funding Account on your behalf to facilitate transactions carried out under this Agreement.

### 7.3 Reinvestment or automatic Withdrawal

For amounts of interest and coupon received on the Investments in your Individually Managed Account (including interest earned on your Funding Account), you may instruct MST:

- a. To transfer such amounts to your nominated ADI account, provided the minimum Funding Account balance under clause 7.1 is maintained; or
- b. To reinvest such amounts in your Individually Managed Account. For clarity, any Instruction under this clause 7.3 will not apply to payments of capital or capital gain on your Investments, which you acknowledge and direct will be reinvested on your behalf in your Individually Managed Account unless you make a Withdrawal under clause 5.2. Any amount reinvested in your Individually Managed Account, whether interest, coupon, capital or capital gain, will not constitute an additional contribution for the purposes of clause 4.2(b)(ii) nor will it require a contribution request form under clause 5.1.

### 7.4 Client Trust Account

- a. You direct and authorise MST to pay amounts out of your Client Trust Account:
  - i. In order to make payments for transactions or Investments by (or for) your Individually Managed Account in accordance with this Agreement; and
  - ii. To MST for Fees to which it is entitled under this Agreement
- b. You agree that you will not be entitled to receive interest
- c. payable on any money, cash or funds deposited or held by the Custodian for, and on behalf of, you in a Client Trust Account. MST will retain any such interest or benefit accrued on the Client Trust Account.

### 8. POWER OF ATTORNEY

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

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

- e. Executing, entering into and delivering any document necessary or incidental to the functions and obligations required to be performed and fulfilled by MST on your behalf as part of or in connection with this Agreement, the Individually Managed Account and the Client Custody Agreement. In the exercise of the authority conferred under the power of attorney in this clause 8, the Attorney is authorised to execute an assurance or other document or do any other act whereby a benefit is conferred upon the Attorney.

### 9. YOU INDEMNIFY MST

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

### 10. MST'S FEES

#### 10.1 Fees

MST is entitled to the Fees set out in Schedule 1 below.

#### 10.2 Payment of Fees

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

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

#### 10.3 GST

The parties agree that:

- a. Unless expressly stated otherwise, all payments under this Agreement have been calculated without regard to GST;
- b. If the whole or any part of any payment under or in connection with this Agreement is consideration for a supply for which the payee is liable to GST, that payer must pay to the payee an additional amount equal to the amount referable to GST, either concurrently with that payment or as otherwise agreed in writing;
- c. Any reference to a cost or expense in this Agreement excludes any amount in respect of GST forming part of the relevant cost or expense when incurred by the relevant party for which that party (or the representative member of a GST group of which the relevant party is a member) can claim an input tax credit; and
- d. The payee will provide to the payer a tax invoice, or GST invoice as appropriate, for any supply made to the payer on which GST is payable.

### 11. REPORTS

MST must provide you regular reports (monthly) in reasonable detail concerning the Investments in your Individually Managed

Account and transactions in relation to it. You acknowledge and agree that MST is not obliged to provide you with (nor to ensure that you receive) any other notices, reports or communications in relation to the Investments that comprise your Individually Managed Account.

## **12. TERMINATION OF THIS AGREEMENT**

### **12.1 Termination by notice**

You may terminate this Agreement by giving MST not less than 10 Business Days' written notice. MST may terminate this Agreement by giving you not less than 20 Business Days' written notice.

### **12.2 Immediate termination by you**

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

- a. MST becomes insolvent or if an administrator, receiver or similar person is appointed with respect to the assets and undertakings of MST, or any event analogous to that occurs with respect to MST;
- b. MST breaches a material provision of this Agreement, or a Relevant Law in respect of this Agreement; or
- c. MST's AFSL is revoked, cancelled or suspended by the Australian Securities and Investments Commission, or varied so that MST is not authorised under its AFSL to provide all relevant financial services in connection with the Individually Managed Account Service.

### **12.3 Immediate termination by MST**

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

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

### **12.4 Termination procedure**

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

- a. To be disposed of and to have the proceeds paid to your Funding Account;
- b. To continue to be held either:
  - i. By the Custodian on the terms of the Client Custody Agreement subject to the Client agreeing to pay any fees specified by the Custodian. In these circumstances, you irrevocably waive any notice requirement under the Client Custody Agreement for the Custodian to charge fees under that agreement; or

- ii. By you, where the relevant Investments are held in your name;
- c. To be transferred to you or a custodian nominated by you. You acknowledge and agree that you will not request the transfer of an Investment:
  - i. To a person who is prohibited from holding it, including under the terms of the relevant Investment (for clarity, this might require the person to be a participant of either or both of Austraclear and Euroclear); or
  - ii. Where the transfer will not meet any applicable Austraclear or Euroclear minimum parcel size requirements; or
- d. If MST consents, through a combination of (a)-(c) above. You acknowledge and agree that MST may continue to manage and deal with the Investments in your Individually Managed Account on your behalf for as long as is required in order to comply with your election under this clause 12.4. During that time MST may, on your behalf, enter transactions to settle, extinguish or offset obligations incurred by MST in relation to the Individually Managed Account before termination. If any obligations are not capable of settlement, MST will notify you of any amount that MST retains in order to meet actual or contingent liabilities. You acknowledge that MST will continue to charge all applicable Fees under this Agreement until:
  - i. All net proceeds from the disposal of the Investments comprising your Individually Managed Account have been deposited in your Funding Account; or
  - ii. All Investments have been transferred to you or your nominated custodian (which may include the Custodian).

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

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

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

### **13.1 Your representations and warranties**

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

- a. You have the power to enter into and perform this Agreement;
- b. You are a Wholesale Client;
- c. You are an Australian resident for the purposes of Australian taxation laws;
- d. You have received independent accounting, financial, taxation and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision or completing your Individually Managed Account Application Form;



- a. You are an experienced investor, who is familiar with investment arrangements similar to the Individually Managed Account Service and the investments available through it; and
- b. You have sufficient cleared funds available to cover the investment amount specified in your Individually Managed Account Application Form.

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

### 13.2 Your consent to MST's conflicts

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

To the conflicts of interest MST faces in connection with the Individually Managed Account Service, including those described in section 7 of the IMA Information Memorandum and any other potential conflicts of interest disclosed to you from time to time;

To MST acting, in a principal capacity, as the counterparty for

- c. transactions under which your Individually Managed Account acquires and disposes of Investments;
- d. That MST may receive fees, margins, brokerage, commissions, or other benefits or advantages, as a result of transactions with your Individually Managed Account, and you consent to MST keeping for its own account those fees, margins, brokerage, commissions, or other benefits or advantages;
- e. That any one or more of MST, a MST Group company, and any directors, authorised representatives, employees, or agents of any of them, may deal in any Investments in your Individually Managed Account either on their own account, or on behalf of another person;
- f. That MST has no obligation to acquire or dispose of, or recommend for acquisition or disposal, for your Individually Managed Account, any investment which MST or any other company in the MST Group purchases or sells for its own account or for the account of any other client; and
- g. That MST and any other MST Group company may give advice and take action in the performance of its duties for other clients which differs from the advice given and action taken in relation to your Individually Managed Account.

### 13.3 Your general acknowledgements and consents

You consent, acknowledge and agree:

- a. That MST does not provide personal advice to clients in relation to your Individually Managed Account. Any financial product advice that MST provides to you in relation to the Individually Managed Account Service is general advice only and does not take into account your objectives, financial situation or needs;
- b. That before acting on any advice or information from MST, you should consider the appropriateness of the advice or information, having regard to your objectives, financial situation and needs;
- c. That you are at risk in relation to, and MST is not responsible for, any payments (including coupon amounts or redemption or maturity payments) to be made by issuers of Investments in your Individually Managed Account;

- d. That if more than one person is identified as the client in the Individually Managed Account Application Form, they are each jointly and severally bound by this Agreement;
- e. That MST may deliver to you any contract notes, trade
- f. confirmations, coupon advices, maturity advices or any other reports including monthly portfolio reports and tax invoices electronically by uploading them to the MST secure website or to any email address as notified by you from time to time;
- g. That MST may pay fees, commissions, or other benefits or advantages, to its representatives or to other persons in connection with your Individually Managed Account and you consent to MST making those payments;
- h. That MST may, at any time, reissue a contract note, trade
- i. confirmation, coupon advice or maturity advice in order to correct any errors or omissions;
- j. That MST may with your consent, or under force of law and as advised by you (where legally permissible), give any information or assistance and make available any records relating to your Individually Managed Account reasonably required by your auditors or any applicable regulator; and
- k. MST may provide your personal information as defined in the Privacy Act 1988 (Cth) to any other party, including but not limited to overseas recipients, in order to carry out MST's obligations under this Agreement.

### 13.4 MST's representations and warranties

MST represents and warrants to you that MST:

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

## 14. INSTRUCTIONS AND OTHER NOTICES

Any Instruction or other notice given under this Agreement:

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

**Attention:** Client Services

**Address:** Level 13, 14 Martin Place, Sydney NSW 2000

**Telephone:** 02 8999 9988

**Email:** [fixedincome@mstfinancial.com.au](mailto:fixedincome@mstfinancial.com.au)

- b. To you, must be sent to the details set out in your Individually Managed Account Application Form, or in accordance with any other address, fax number or email address that either party may specify in writing to the other. You acknowledge that MST will ordinarily send notices to you by email.

## 15. VALUATION OF INVESTMENTS

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

## 16. GENERAL

### 16.1 No waiver

No failure to exercise and no delay in exercising any right, power or remedy under this Agreement will operate as a waiver. Nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.

#### 16.2 Assignment

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

#### 16.3 Death

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

#### 16.4 Anti-money laundering

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

You agree that:

- a. You are not and will not enter into any agreement with MST under an assumed name;
- b. Any funds you use to invest in the Individually Managed Account Service have not been derived from or related to any criminal activities;
- c. Any payments received from MST will not be used in relation to any criminal activities;
- d. If MST asks, you will provide MST with additional information reasonably required (including information about the source of funds used to invest in the Individually Managed Account Service); and
- e. MST may obtain information about you or any beneficial owner of an interest in your Individually Managed Account from third parties if MST believes this is necessary to comply. In order to comply with AML/CTF Laws MST may be required to take action, including:
- f. Delaying or refusing the processing of any transaction; or
- g. Disclosing information that it holds about you to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws.

#### 16.5 Confidentiality

MST must not disclose any confidential information about you, except:

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

#### 16.6 Force majeure

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

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

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

#### 16.7 Amendment

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

#### 16.8 Governing law and jurisdiction

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

#### 16.9 Severance

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

#### 16.10 Execution

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

#### 16.11 Relationship of parties

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

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

- a. No third party supplier to MST ("Supplier") makes any warranties, express or implied, as to merchantability, fitness or any other matter, and shall have no liability to you or any third party for any errors, omissions or malfunctions in relation to the services it provides to MST.
- b. Services provided by the Suppliers to MST are intended for use as an aid to institutional investors, registered brokers or professionals of similar sophistication in making informed judgments concerning securities.
- c. You are responsible for, and have exercised your own independent judgment in, your selection of the relevant services, your selection of the use or intended use of such, and any results obtained.
- d. You indemnify against, and hold harmless from, MST, for its own benefit and for the benefit of its Suppliers, any and all



losses, damages, liability and costs (including attorney's fees), resulting directly or indirectly from any claim or demand against any Supplier by a third party arising out of, or related to, the accuracy or completeness of any services received by you, or any data, information, service, report, analysis or publication derived therefrom. Neither MST nor any Supplier shall be liable for any claim or demand against you by a third party.

- e. You undertake not to use any Information for any other purpose or disseminate the Information further to any other third parties except as permitted under this Agreement and to indemnify MST, for its own benefit and for the benefit of its Suppliers and their affiliates, harmless from and against any losses, damages, liability and costs (including reasonable attorney's fees), resulting from any claim or demand against a Supplier by a third party arising out of the use of any services or Information received by you, or any data, information, service, report, analysis or publication derived therefrom.
- f. If you receive Information from a Supplier containing evaluations, rather than market quotations, for certain securities or certain other data related to such securities, you acknowledge and agree that:
  - i. Evaluated securities are typically complicated financial instruments. There are many methodologies (including computer-based analytical modelling and individual security evaluations) available to generate approximations of the market value of such securities, and there is significant professional is best. No evaluation method, including those used by Suppliers, may consistently generate approximations that correspond to actual "traded" prices of the instruments;
  - ii. Suppliers' methodologies used to provide the pricing portion of certain Information may rely on evaluations; however, you acknowledge that there may be errors or defects in Suppliers' software, databases, or methodologies that may cause resultant evaluations to be inappropriate for use in certain applications; and
  - iii. You assume all responsibility for edit checking, external verification of evaluations, and ultimately the appropriateness of use of evaluations and other pricing data provided via the Individually Managed Account Service regardless of any efforts made by Suppliers in this respect. You shall indemnify and hold completely harmless MST, for its own benefit and for the benefit of its Suppliers, in the event that errors, defects, or inappropriate evaluations are made available via the Individually Managed Account Service.

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**EXECUTED** as an agreement

## Schedule 1 Fees

### 1.1 Management Fee

The Management Fee rate is:

- a. For the Conservative Income Investment Program: 0.54% p.a. (inclusive of GST);
- b. For the Income Plus Investment Program: 0.64% p.a. (inclusive of GST); and
- c. For a Customised Investment Program, the rate agreed between you and MST and specified in section 12 of your Individually Managed Account Application Form or an Instruction given in accordance with clause 6.2.

The Management Fee for your Individually Managed Account will be the Management Fee rate specified above, multiplied by the value of the Investments in your Individually Managed Account as determined by MST in accordance with clause 15, calculated daily and charged monthly in arrears.

### 1.2 Custody and Administration Fee

The Custody and Administration Fee rate for each of your Individually Managed Account(s) is a blended rate determined separately for each Individually Managed Account by reference to the value of the Investments in the particular Investment Program in your Individually Managed Account as follows:

- a. First \$5M: 0.11% p.a. (inclusive of GST);
- b. Over \$5 million: 0.06% p.a. (inclusive of GST).

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

1800 01 01 81      [mst.com.au](https://mst.com.au)

MST Financial Services Pty Ltd | ABN 54 617 475 180 | AFSL 500557

