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This Information Brochure is dated 10 Oct 2018 and is provided to you by MDA Operator Pty Ltd (ABN 43 609 025 130, Authorisation No. 001237411 ('**MDA Operator**'), an authorised representative of WealthO2 Services Pty Ltd (ABN 20 610 852 456 / AFSL No. 500032) ('**WealthO2**').

## About this Information Brochure

MDA Operator offers a number of managed account and administration services to financial advisers, accountants, Retail Fund Managers<sup>1</sup> and other AFS licensees.

This Brochure dated 20 July 2016, describes the Managed Account Services provided by MDA Operator on behalf of Pulse Markets.

In this Brochure, a reference to a 'Client' or 'client' means a client of the MDA Operator Managed Account Service. A reference to 'You' or 'you' means you, a Client or prospective Client.

This Brochure is intended only for the purpose of providing a general understanding of the MDA Operator Managed Account Service and should not be relied upon in making a decision about whether to invest or what investments to make. MDA Operator does not provide personal financial advice. You must consult a Financial Adviser before making a decision to invest using the Managed Account Service.

The information contained in this Brochure is general information only and does not constitute a recommendation that you should invest using the MDA Operator Managed Account Service. It does not take into account your individual objectives, financial situation, needs or circumstances. Before making a decision to apply to use the Managed Account Service, and invest in a particular investment choice, you should consider whether it is suitable for you in light of your objectives, financial circumstances and needs.

To the maximum extent permitted by law, neither MDA Operator, Pulse Markets, their directors, employees and agents accept any liability for any loss arising in relation to this document. The Managed Account Services provided by WealthO2 and MDA Operator are not interests in a registered managed investment scheme. No representations or warranties express or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this document. In preparing this document, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available to us.

This document does not constitute an offer to sell or a solicitation of an offer to buy interests or securities in any jurisdiction. This service is only available to Australian tax residents who receive this Brochure, whether in paper or electronic form. Investors who receive this Brochure in electronic form are entitled to obtain a paper copy of this Brochure free of charge by contacting MDA Operator. The distribution of the Brochure in jurisdictions outside Australia may be restricted by law and persons into whose possession this Brochure comes should inform themselves about, and observe any such restrictions. Failure to comply with those restrictions may violate those laws.

## Changes to this Brochure

Information in this Brochure may change from time to time and a supplementary or revised Brochure may be issued. You can obtain updated information by asking your Adviser or by visiting

[www.mdaoperator.com.au](http://www.mdaoperator.com.au)

## About the providers of the MDA Operator Managed Account Service

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<sup>1</sup> The term "Retail Fund Manager" is likely to cover independently owned (read non-bank owned) ASX brokers.

MDA Operator Pty Ltd (ACN 609 025 130), Authorisation number 001237411, a wholly owned subsidiary of Finlancer Holding Pty Ltd (ABN 93 603 824 835) ('MDA Operator/we/our/us') of Suite 1402B, 275 Alfred Street, North Sydney NSW 2060, is a Corporate Authorised Representative (CAR) of WealthO2 Pty Ltd (ABN 20 610 852 456 / AFSL No. 500032) ('WealthO2').

MDA Operator operates and administers the Managed Account Service on behalf of Pulse Markets. WealthO2 has authorised MDA Operator to operate under its AFSL with the authorities disclosed in the Combined Financial Services Guide (FSG) issued by WealthO2 and MDA Operator.

MDA Operator's primary business is the operation of a managed discretionary account (MDA) service to both retail and wholesale investors. Through our Managed Account Services, MDA Operator assists advisers to manage client portfolios using either a discretionary (MDA) or individual (IMA) approach, and manage adviser created Investment Programs. MDA Operator works with each adviser to ensure that any Investment Programs formulated for a client meets minimum risk criteria.

## Investment via the MDA Operator Managed Account Service

MDA Operator can only accept investors into the Managed Account Service offered by WealthO2 and MDA Operator (referred to in the brochure as "Managed Account Service") through a Financial Adviser.

If you choose to invest via the MDA Operator Managed Account Service your Adviser may recommend a model portfolio for some or all of your investment portfolio. Your Adviser will also consider whether that model portfolio should be customised to better suit your needs. The model portfolio, together with any customisation, forms the basis of an Investment Program. The Investment Program constitutes the instructions to MDA Operator in respect of your portfolio of investments.

## Key Features

Through our Managed Account Services, WealthO2 and MDA Operator assist advisers to manage individual client portfolios using either a discretionary (MDA Services) or individual (IMA Services) approach, and can manage adviser created Investment Programs. MDA Operator works with each adviser to ensure that any Investment Programs formulated for a client meet minimum risk criteria in accordance with what has been established by the Adviser in the Statement of Advice (SOA) for the client.

In broad terms, managed discretionary account services are arrangements that involve a person (an MDA operator) managing a portfolio of assets for a client on an individual basis. This may include arrangements that are commonly marketed in the industry as separately managed accounts, investment advisory programs, and managed discretionary portfolio services and discretionary portfolio accounts.

The Managed Account Service offered by WealthO2 and MDA Operator includes the following components:

- The provision of an FSG providing information about Pulse Markets, MDA Operator and the Managed Account Service to prospective clients before they make a decision to invest using the Managed Account Service;
- Each client enters into a Managed Account Contract with WealthO2 and MDA Operator which outlines the discretions given by the client to WealthO2 and MDA Operator to operate the client's Managed Account, and documents the Investment Program to be implemented on the client's behalf;
- Management by MDA Operator of the assets in the Managed Account portfolio, including:
  - opening (and closing) accounts with banks and other financial service providers;

- operating accounts including to make payments to third parties;
- buying, applying for, dealing with, transferring, selling and redeeming financial products;
- exercising (and declining to exercise) all rights and privileges and perform all duties and obligations which now or in the future apply to the financial products in your Managed Account;
- appoint service providers on your behalf;
- reinvest any revenue earned in your Managed Account (unless you elect to only receive IMA Services);
- receive, hold and execute all necessary documents, pay all obligations and liabilities, and undertake all acts and do all things that are necessary or convenient to implement the Investment Program;
- If you elect to receive MDA Services, we will make decisions regarding your Managed Account at our discretion and without prior consultation with you, and you will be bound by our actions and the changes we make, including to:
  - determine how additional contributions, revenue and surplus cash are allocated between your investments;
  - rebalance underlying investments where there has been a material variation between the market value weights of your Portfolio with the Investment Program weights and implementing transactions so that the value weights of your Portfolio are consistent with the Investment Program, and rebalance at least annually for existing monies and within 7 business days of receipt of new monies or a redemption/withdrawal request (subject to market conditions);
  - adjust asset allocations within the ranges described in the Investment Program;
  - change investments if there is a rating change or if we consider they are no longer suitable for inclusion in the Investment Program;
  - determine which, if any, investments will be sold to accommodate any withdrawals you wish to make;
- If you elect to be provided with IMA Services, after giving you prior notice and receiving your instructions to proceed within the notice period, we will:
  - rebalance underlying investments where there has been a material variation between the market value weights of your Portfolio with the Investment Program weights and implementing transactions so that the value weights of your Portfolio are consistent with the Investment Program, and rebalance at least annually for existing monies and within 7 business days of receipt of new monies or a redemption/withdrawal request (subject to market conditions)
  - Change investments if there is a rating change or if we consider that they are no longer suitable for inclusion in the Investment Program; and
  - Determine which, if any, investments will be sold to accommodate any withdrawals you wish to make.
- Quarterly and annual reports

For more information, please refer to our FSG and the Managed Account Contract.

We also provide the following to assist Advisers:

- Account set up and on boarding workflow;
- Validation (risk analysis) of each Investment Program to be implemented by MDA Operator;
- Annual Review Investment and transaction Report documentation for adviser to conduct an annual review meeting of Managed Account arrangements and Investment Program with client;

- Continuous reporting (via the Portal) to the Adviser of Managed Account transactions, holdings and information made available to clients in quarterly and annual reports.

A proprietary portfolio management module is used by MDA Operator to support the Managed Account Service offering. This module assists in portfolio construction and maintains version control of the Investment Programs implemented by MDA Operator.

Your Adviser can also customise the model for You through the use of rules and exclusions called Screens and Constraints. Client agreed trading and screening restrictions and constraints are also taken into account by the rebalancing engine. This means the Adviser can tailor the Investment Program to prevent specific actions (buys or sells) on a tax effectiveness or ethical basis as per pre agreed client instruction. Trading restrictions will set minimum parcel values for orders, to minimise brokerage costs.

Moreover, a proprietary rebalancing engine and order module is used by MDA Operator to compare a client's portfolio holding with an Investment Program. Trade orders are generated by the engine to bring a client's portfolio back in line with the pre agreed client Investment Program.

You remain the legal and beneficial owner of the cash, term deposits and Australian equities components of the investment portfolio operated under the MDA Operator Managed Account Service. You are the beneficial owner of any international securities held in your investment portfolio.

## Managed Accounts

If you elect to use the Managed Account Service, You and your Adviser can select an Investment Program, based on your specific needs, to be managed by MDA Operator pursuant to authorities and discretions granted by You to WealthO2 and MDA Operator in an agreement called the Managed Account Contract.

MDA Operator can implement and manage the Investment Program for You.

You and your Adviser will need to regularly review, at least annually (and more frequently if your needs and circumstances change) your Investment Program to ensure it is meeting your needs and investment objectives.

The Investment Program put in place for You, will have considerable input from your Adviser based on your personal circumstances, and will form part of the Managed Account Contract.

All Managed Accounts incorporate the following key components, which are discussed in further detail later in this Brochure:

- Asset Class Allocation – The proportion of the portfolio to be invested in each asset class;
- Security Allocation – For an asset class where the investor directly holds securities (e.g. Australian Shares) the securities to be held in the portfolio, including the buy and sell price of the security and its weighting in the portfolio;
- Rebalancing – The process of realigning the weighting of your portfolio of assets. Rebalancing involves periodically buying and selling securities in your portfolio to maintain the asset and security allocation documented in Your Investment Program.
- Client Constraints, Screens and/or Trade Restrictions – Any constraints or restrictions that You and your Adviser require, such as any security that you do not want to either buy or sell, or the minimum dollar value (e.g. \$2,500) of any trade (subject to the terms of the Managed Account Contract). Client Screens, Constraints and Trade restrictions include instructions which, if relevant to Your portfolio, are taken into account by MDA Operator prior to rebalancing.

## Asset Classes

The asset classes that can form part of the Managed Account Service are indicated below.

### AUSTRALIAN SHARES

Australian Shares in the service are directly held shares via a Broker account which is managed by MDA Operator

### FIXED INCOME

Investors can have their domestic and international Fixed Income exposure through a portfolio of cash, mFunds, ETFs and/or term deposits.

### PROPERTY & INFRASTRUCTURE

Investors can have their Property & Infrastructure exposure through a portfolio of property based securities known as A-REITs, ETFs and/or mFunds.

### ALTERNATIVES

Investors can have their Alternatives exposure through a portfolio of listed securities.

### ASX MFUNDS

An mFund product is an unlisted managed fund admitted for settlement under the ASX Operating Rules and available to investors through the mFund Settlement Service. The ASX rule framework supports the mFund Settlement Service by ensuring all parties, including stockbrokers, fund issuers and unit registrars, are accountable for their roles and responsibilities.

At the date of this Brochure, only Desktop Broker supports the purchase and sale of mfunds. Like ASX Shares, the managed fund is registered in your name. Cash is taken from your Cash Management Account (CMA) on trade date for the settlement of mfunds.

### Broker Account

By default, based on your adviser's agreements with the third party broker accounts supported by the Managed Account Service, a broker account is established for You. Even though the account is held in Your name, under the Managed Account Contract you grant MDA Operator the authority to Issue instructions to the broker and receive confirmation of any transactions on your behalf.

Your adviser will need to provide you with the FSG and terms and conditions applicable for the Broker account that will be opened on your behalf, and you will need to agree to the terms and conditions of the service prior to your account being established.

As noted above, investors hold listed assets under their own broker directed HIN account. Trades are settled from cash held in the linked CMA (see Cash below).

The securities acquired or disposed of are based on the rebalance process that reweights the portfolio to your Investment Program.

### TERM DEPOSITS/AT CALL ACCOUNTS

MDA Operator can make available in the Investment Program term deposits and at call accounts offered by the major Authorised Deposit-Taking Institutions (ADIs). Like shares, the term deposits and at call accounts are held in your name. MDA Operator uses the services of Australian Money Management (AMM) to assist in the processing and administration of these deposit products.

By default, if applicable to your Investment Program, and based on your adviser's agreements with AMM, an AMM account is established for You. Even though the account is held in Your name, under the Managed Account Contract you grant MDA Operator authority to issue instructions to AMM and receive confirmation of any transactions and maturity data on your behalf. Your adviser will need to provide you with the AMM FSG and terms and conditions, and you will need to agree to these terms and conditions of this service prior to your account being established.

## CASH

Once you sign the Managed Account Contract and are accepted as a client of the Managed Account Service, a CMA will be established in Your name.

The CMA forms the Cash Hub of your Managed Account and is used to settle trades, pay fees, and receive dividends/interest. Even though the CMA is held in Your name, under the Managed Account Contract you grant MDA Operator authority to Issue instructions to the CMA provider, and receive confirmation of any transactions data. Your Broker and AMM will also have third party authority to settle transactions and charge brokerage to your CMA.

The cash balance of your CMA is incorporated within your asset allocation as cash. Your CMA balance will be maintained at a minimum of **2.0%** of the total value of your Managed Account at all times.

By default, based on your Adviser's agreements with Macquarie, your adviser will need to provide you with the Macquarie FSG and terms and conditions for the Macquarie CMA, and you will need to agree to these terms and conditions of this service prior to your Macquarie CMA being established.

## INTERNATIONAL SHARES

Through the Broker account, using a nominee service, Investors have access to International Shares. Your adviser will need to provide you with the FSG and Terms and conditions of this service, and you will need to agree to these terms and conditions of this service prior to your account being established.

## Before you can invest through the MDA Operator Managed Account Service

You must consult your Financial Adviser before investing in the MDA Operator Managed Account Service.

MDA Operator does not provide personal financial advice in respect of the Managed Account Service.

If you choose to invest via the MDA Operator Managed Account Service your Financial Adviser will recommend an Investment Program containing an investment strategy. Your Financial Adviser will also consider whether that Investment Program should be customised to better suit your needs. MDA Operator will ensure that the Investment Program that it implements for you is what has been agreed by you. Your Financial Adviser will be responsible for reviewing your Investment Program at least annually to ensure it remains suitable for you.

## How to set up the accounts and transfer assets

### Initial Application Process

To establish an account, you must complete and sign forms required by WealthO2 and MDA Operator, AMM, Banks, and Brokers (as applicable). The account set up process will vary depending on the service level you require and the service or product providers. The Managed Account Contract is provided to you

to review and sign. Your Adviser will assist You to establish all the accounts necessary to operate under the Managed Account Service.

## INITIAL APPLICATION PROCESS

To establish an MDA Operator Managed Account Service, please follow these steps:

- Consult with your Adviser and discuss the suitability of this type of service for You. Your Adviser will provide you with personal advice and a SOA document outlining the recommendation.
- Read this Brochure.
- Read our FSG, along with the FSG/PDS's or similar disclosure documentation of the Broker, Bank, AMM and any other provider of product and service that your adviser is recommending form part of your overall service by the Adviser
- Read and sign the Managed Account Contract, with Investment Program as Schedule 2 along with the details of the parties and signatories in Schedule 1, and provide to your Adviser
- With your Adviser, complete and sign any applicable account opening forms (for Banks, AMM, Broker) and provide required Identification documentation
- Ensure your Adviser nominates the investment choice(s) forming part of your Investment Program within Your SOA.
- Arrange for the direct transfer of cash to your Macquarie CMA. Please ensure your linked bank account details are provided to MDA Operator for withdrawals.
- Your Adviser will provide a copy of the signed Managed Account Contract and SOA to MDA Operator
- MDA Operator and your Adviser can email you with confirmation of your account details and your details for verification

Once we have received and accepted your completed and signed MDA Operator Managed Account Contract from your Adviser, your Broker and Macquarie CMA accounts are established, and your moneys have been transferred into the CMA, MDA Operator will then implement your Investment Program. MDA Operator will implement investments in accordance with your Investment Program. Your Adviser is responsible for ensuring you receive advice on the suitability for you of the Managed Account Service and associated Investment Program.

### Important Note

The new Macquarie CMA Account is in your name but is operated by MDA Operator and is dedicated to your Managed Account Service. This account is required when you decide to utilise the Managed Account Service, and is used to:

- i. Settle listed asset purchases;
- ii. Buy term deposits;
- iii. Receive the proceeds of listed asset sales, maturing term deposits and interest;
- v. Receive dividends and distributions; and
- vi. Pay fees, including to your Adviser, and brokerage to your Broker.

## In-specie transfers & Broker to Broker transfers

If you have existing shares and wish to move these to your MDA Operator Managed Account, you can either

- a) Request a Broker to Broker HIN transfer keeping your current HIN and transferring your CHES sponsor to the new Broker
- b) Transfer some of your shares to a new HIN / Broker account
- c) Use your Broker account but authorise MDA Operator to manage it. You grant this authorisation by signing the Managed Account Contract and giving your instruction to use this existing account.

## Additional contributions

- d) There is no required minimum additional cash investment.
- e) You can make additional contributions to your Macquarie CMA for your Managed Account Service by simply transferring funds into the CMA. This will trigger a rebalance in the “Managed Account” when the rebalance cycle is run.

## Rebalancing and tolerances

Rebalancing involves comparing the market value weights of your Portfolio with the Investment Program weights and implementing transactions so that the value weights of your Portfolio are consistent with the Investment Program.

Your Portfolio may be rebalanced if:

- An Investment Manager or responsible party in your Adviser’s AFSL (responsible for monitoring a Model within your portfolio) recommends changes to the Model Portfolio weights; or there is a change in security allocation in the model based on changes by way of float-adjusted market capitalisation (e.g. if a share is no longer one of the top 20 on ASX)
- The allocation between asset classes becomes materially different to the Investment Program weights;
- You make a contribution to or a withdrawal from your portfolio; or
- You and your Adviser alter your Investment Program and notify MDA Operator of the required changes through a controlled version approval process and verification of the new version such that it aligns to your new Investment Program and Managed Account Contract you have signed.

MDA Operator will only implement a rebalance in the case of a material variation, i.e. if the result lies outside the trading tolerance range for the agreed Investment Program and Managed Account Service. This tolerance range provides a buffer for slight deviations from the Investment Program, reducing the need to make small trades on your Securities. Making frequent and small trades may be inefficient and can contribute to increased transaction costs on your Portfolio.

Unless you elect to receive IMA Services, we will not be required to seek your prior authorisation to any rebalance proposed.

Whilst utilising a tolerance range may reduce the frequency of rebalancing you may still experience a large number of transactions on your investment transactions report.

There may be instances where rebalancing may not be possible or impracticable, or the tolerance range cannot be applied due to delays affecting the timely functioning of rebalancing, for instance the suspension of valuations of Securities or other factors outside of our control.

## Minimum Cash balance in CMA

The cash balance of your CMA is incorporated within your asset allocation as cash. Your CMA balance will be maintained at a minimum of around **2.0%** of the total value of your Managed Account at all times. Your Adviser is kept informed of your cash balance via your Investment Service managed account holdings. If the cash balance of your Account falls below the minimum level, MDA Operator can realise assets to restore the cash position to at least 2% of your Account balance. You will not receive prior notification of this rebalance unless you elect to receive IMA Services.

## Screens and Constraints

Screens and Constraints in essence set the rules imposed by you at the Investment Program level to prevent the buy or sale of a security.

## Trade Restrictions

Buy and sell instructions received in relation to your Account may not be able to be implemented fully. This may occur in certain circumstances, including for example when:

- Trade orders are not able to be fully executed or may need to be executed in increments on the market. (e.g. illiquid stocks or where full execution of the trade order would expect to 'move the market' and accordingly, affect the share price of the relevant Security).
- A trade order is rejected if a Security becomes suspended or placed in a trading halt.
- Your broker requires us to submit trade orders of a minimum size, or otherwise places conditions on the order in accordance with their rights under their client agreement with you.
- You have insufficient cash in your account.

## Income/Dividends/Distributions

MDA Operator default to not participate in dividend reinvestment plan(s), which means that the income is automatically paid to your CMA.

This income, unless requested by you to be withdrawn, will be automatically reinvested in other Securities as part of the regular Model rebalance (this is subject to the tolerance level which aims to minimise small trades).

Your Investment Program may specific to assign default securities per asset class. These default securities are bought when the income holding is greater than the cash allocation of your Investment Program but the income difference is less than the minimum trade size or holding of your Investment Program.

Income received from all other Securities is automatically paid to your CMA.

## Corporate Actions

MDA Operator will not participate in corporate actions, particularly where there is an individual tax consequence such as a share buy-back, unless your Adviser requests so on your behalf.

Your Adviser and/or the registry will contact you regarding corporate actions on securities you hold. MDA Operator will not notify you. Contact your Adviser in circumstances where you would like to participate in a Corporate Action for a security owned by you in the service.

## Withdrawals

The minimum withdrawal amount is \$5,000 per Managed Account. An amount of \$2,000 will be withheld in the CMA during a withdrawal process for the purpose of meeting anticipated fees and charges, i.e. \$2,000 of the total CMA balance will not be available to be withdrawn. If you wish to withdraw more than the available balance, MDA Operator will sell down assets to satisfy the withdrawal request. If a withdrawal results in there being less than the required minimum cash balance of 2% of your Managed Account balance in your CMA, or results in a material variation between the market value weights of your Portfolio with the Investment Program weights, not taking into account the \$2,000 retained for meeting anticipated fees and charges, then this will result in a rebalance.

Withdrawal requests should be made by contacting your Adviser. Once the adviser has made this written instruction to MDA Operator, your withdrawal will be processed typically within 7 business days.

However, as disclosed in our FSG and in the Managed Account Contract, in some circumstances beyond our control, withdrawals may not be processed within that time.

Funds will be transferred to a linked bank account held in the same name as the service as soon as the assets can be realised. Please note that we are unable to make payments to third parties on your behalf.

Note: any sales of Securities will be subject to brokerage (charged by your Broker and as agreed between you and your Broker) and transaction fees and may have tax consequences.

If we need to sell down Securities on your behalf you can generally expect cash to be available within 5 Business Days. In the case of early termination of Term Deposits before maturity however, 31 days' notice may be required before redemption occurs. Any fees or penalties associated with early termination of Term deposits will be borne by you.

## Suspension of withdrawals

In certain circumstances, some of which may be outside our control, we may need to suspend withdrawals from your Managed Account. Instances where a suspension may arise includes, but is not limited to, if there has been a suspension of trading on a relevant exchange or where we experience an unusually large amount of withdrawal requests. If this is the case, we will inform you as soon as we can after we receive your request.

## Account closure

If you wish to close your MDA Operator Managed Account you must provide MDA Operator, and your adviser, written notice of your intention to do so. This will require you to terminate your Contract with us. Upon termination of the Contract, we will not conduct any further transactions on your behalf in relation to your Investment Program Managed Account without your written authorisation; and we will promptly arrange for you to be provided with final accounts and reports in relation to your Managed Account and will provide reasonable assistance to transfer all property and rights in relation to your Managed Account. During that time, we may deal with your Managed Account to settle or offset existing obligations.

You will need to liaise with your Adviser if you wish to sell down any investments to cash, or request to transfer out all Security holdings in-specie to your selected receiving broker or upon cessation of your Managed Account Service, your broker and CMA account will no longer be managed by MDA Operator. Termination does not affect any transaction commenced before termination; or any existing rights and

obligations incurred prior to termination.

If we sell down Securities on your behalf for the closure, you can generally expect funds to be available within five business days, subject to circumstances as disclosed in our FSG and Managed Account Contract, where for reasons beyond our control, redemption of investments may take longer to occur. After selling of assets of your Account, any settlement payments will be made to your CMA account. Closure of an Account may not be possible for some time for reasons including, but not limited to the following:

- Corporate Actions (including dividends) may be pending on certain Securities.
- Securities may be suspended from trading and/or cannot be sold or transferred out.
- Month end fees and income may be payable.
- Thirty-one days' notice for the early termination of a term deposit.

You will still receive the annual report.

WealthO2 and MDA Operator reserve the right to close an Account and cease providing the Managed Account Service immediately upon notice in circumstances including, but not limited to, you- being in breach of your obligations under the Managed Account Contract, death, failure to renew / sign your Managed Account Contract and Investment program within 12 months of the anniversary date of the Managed Account Contract, or where continued operation of your Managed Account might result in a violation (including by MDA Operator) of an applicable law or regulation. Please refer to your Managed Account Contract for further information.

## How we get paid?

Please refer to our Financial Services Guide

## Risks of Managed Account Service

Please refer to our Financial Services Guide

## General Information

### How we keep you informed

#### How we keep you informed

Quarterly and annual reports will be provided to you, showing

- details of all the transactions undertaken on your behalf during the quarter;
- a reasonable valuation of each of and the total of the assets and liabilities in your Managed Account at the beginning and end of the quarter; and
- all revenue and expenses (including fees and charges) incurred during the quarter.
- the annual statement will include a summary of the information from the quarterly reports, a registered auditor's opinion regarding the Managed Account Services and a copy of the annual review of the Investment Program.

Your Adviser will have access to all the following:

- Valuation report of your investments
- Cash account balance
- Transaction report of your investment and cash balance
- Income and Expense report

## Communicating with MDA Operator

If you need help regarding the Managed Account Service, you should first contact your Adviser

## Security of your assets

As noted in the “Key Features” section above, under the terms of the Managed Account Service as outlined in the Managed Account Contract between you, you grant WealthO2 and MDA Operator discretion to implement your Investment Program, operate your Managed Account and deal with the investments in your portfolio in accordance with the terms contained in the Managed Account Contract, without limitation and prior consultation with you (unless you elect to receive IMA Services, in which case some actions we take will require your prior approval). You will be bound by the actions we take in accordance with the discretions and authority granted to us under the Managed Account Contract. It is important to note that:

- You remain legally entitled to the assets held within your portfolio, subject to the terms of the Managed Account Contract. The direct investments, Australian listed products and cash in your portfolio are held by you in your name as the registered legal owner of them. You are the beneficial owner of international securities as they will be held in the name of a nominee in accordance with the terms between you and your executing broker;
- Your CMA must maintain a minimum cash balance of 2% of your Managed Account balance at all times. This minimum forms part of your asset allocation in the Investment Program. We will periodically rebalance your portfolio to ensure that Your CMA holds the minimum required cash balance;
- Neither WealthO2 nor MDA Operator are the counterparty for any asset you may hold in your Managed Account. In the case of the insolvency (or similar) of WealthO2 or MDA Operator, none of your assets are at risk;
- WealthO2 and MDA Operator may only carry out transactions on your behalf in accordance with the Investment Program implemented via the Managed Account Service and the Managed Account Contract you agree to; and
- MDA Operator has added procedural safeguards for reconciling your accounts with all counterparties daily.

## Compliance

WealthO2 maintains a compliance plan which MDA Operator adheres to, which sets out how it will comply with all relevant legislation (including the Corporations Act) and industry guidelines

## Consents

Macquarie Bank, Australia Money Management (AMM), WealthO2 and Desktop Broker have consented to being named in this Brochure in the form and context in which their name is included and have not

withdrawn their consent before the date of this Brochure.

Other than Pulse Markets, the parties listed above have not authorised or caused the Issue of this Brochure, or made any statement that is included in this Brochure or any statement on which a statement in this Brochure is based, except as stated above. Other than stated above, they expressly disclaim and take no responsibility for any statements in, or any omission from, this Brochure. This applies to the maximum extent permitted by law.

## Privacy

MDA Operator is required to keep records of your personal information in order to create and maintain your Account. You agree to MDA Operator recording and disclosing this information as specified under our Privacy Policy (please refer the Privacy Policy on the MDA Operator website for more information). We may be required by law to submit your information to another party (for example to the ATO). Your information may also be disclosed to MDA Operator, its affiliates, delegates, agents and Service providers of the Managed Account Service, on the basis that they deal with such information in the same manner as the MDA Operator privacy policy. MDA Operator may also need to disclose information about you to government entities and regulators as required by law.

To learn more about our collection and use of your personal information for marketing and other purposes please request a copy of our Privacy Policy.

## Anti-Money Laundering/Counter-Terrorism Financing

Your Adviser and third parties will in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act), have the right to collect and identify information and to verify documents. From time to time, we may require additional information from you to assist in this process of providing your personal information as your agent under the terms of the Managed Account Contract in order to create and maintain your Account.

## Conflicts of Interest

MDA Operator has internal policies and procedures to ensure that any conflicts of interest arising in relation to the MDA Service are adequately identified and appropriately managed. MDA Operator maintains a conflicts register, which records all conflicts identified and what actions have been taken in relation to the identified conflicts. A copy of this register is available upon request in writing.

## Complaints

Please see our FSG for details on our complaints handling procedures.

## Glossary

**Account** or **Managed Account** means your investment(s) in the Managed Account Service.

**Adviser** means the financial adviser identified in Schedule 1 of your Managed Account Contract as your Nominated Representative, who must be authorised by an AFS licensee to provide financial product advice to retail clients, and appointed by you to prepare and review your Investment Program.

**AML/CTF Act** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

**A-REIT** refers to a unitised portfolio of property assets, listed on the Australian Stock Exchange (ASX). In Australia, such investment structures were known as a Listed Property Trusts (LPT) prior to March 2008 but were renamed to be more consistent with international terms.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange.

**Benchmark** means the relative index used as a measure of performance in respect of an Investment Program.

**Broker** means any broker appointed by you or on your behalf to conduct trading in exchange traded Securities in relation to your Managed Account

**Business Day** means any day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

**CGT** mean Capital Gains Tax.

**CHESS** stands for Clearing House Electronic Sub register System.

**CMA** means Cash Management Account.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Corporate Action** means the action taken by an Issuer of Securities to give an entitlement to holders of the Securities. Examples include bonus Issues, rights Issues, dividends and buy-backs.

**ETF** means an Exchange Traded Fund. That is, a fund listed on a stock market that provides access to particular investments, which may include Australian and international shares, commodities, listed property trusts or a combination of asset classes.

**FSG** means Financial Services Guide

**GST** means a Goods and Services Tax, as defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**HIN** means the Holder Identification Number which identifies your registration on the CHESS Sub register operated by the ASX.

**Information Brochure** or Brochure means this document and any supplement to it or replacement of it issued from time to time.

**Investment Manager** means an ASIC Licensed entity appointed by your Adviser and responsible for providing a separately managed model portfolio for the service

**Investment Program** means the investment program prepared by your Adviser, as may be amended from time to time.

**Managed Account Contract** means the agreement between Pulse Markets, MDA Operator and a client of the Managed Account Service, which sets out the terms upon which WealthO2 and MDA Operator can act with discretion to manage the client's portfolio of assets in accordance with the Investment Program.

**Model Portfolio** means a model of Securities constructed and maintained by the adviser or their appointed Investment manager. One or more model portfolios blended together form an Investment Program.

**Portal** means the online website operated by MDA Operator to provide access to Account information including Reports.

**Portfolio** means a portfolio of Securities managed by MDA Operator on your behalf, according to the specified Investment Program.

**Rebalance** means the process of comparing the composition of a managed account Investment Program with the composition of each Client's Holding in their managed account portfolio. Where there is a difference, transactions are generated to bring the portfolio into line with the Investment Program.

**Security or Securities** means cash accounts/basic deposit products, financial products including shares, and interests in a trust.

**SOA** means a Statement of Advice provided by your Financial Adviser.