

Portfolio Wrap

INVESTOR BROCHURE
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This is an important document.
Please read it carefully and make sure you understand it before accepting its terms. Retain a copy of this document for your reference.



→ **About this Portfolio Wrap Investor Brochure**

Portfolio Wrap comprises a stockbroking and portfolio reporting service brought to you by Morgan Stanley Wealth Management Australia Pty Ltd ABN 19 009 145 555 (referred to as “Morgan Stanley Wealth Management”, “we”, “our” or “us”) and a Managed Fund Portfolio Service brought to you by Ausmaq Limited ABN 53 062 527 575 AFSL 230684 (referred to as “Ausmaq”).

Portfolio Wrap Explained

Portfolio Wrap allows you to manage all your investments in the one account through which you can buy and sell shares and managed funds at wholesale rates and borrow to invest. It is designed to provide you with accurate and comprehensive reporting for all your portfolio investments.

Morgan Stanley Wealth Management has designed the service to assist you to keep track of your investments and their impact on your wealth creation strategy, while at the same time allows you to control your investment choices in conjunction with your financial adviser.

Portfolio Wrap enables you to monitor the performance of your portfolio through a central reporting package. You have access to comprehensive quarterly portfolio reporting, including performance reporting and consolidated tax reporting at year end. This reporting functionality assists you in making

informed investment decisions, while the day to day record keeping of your portfolio is taken care of on your behalf.

Online reporting is available via a secure internet page accessible from the Morgan Stanley Wealth Management website at www.morganstanley.com.au.

You will also have access to research material, market news and other valuable investment tools via the website.

In addition to the comprehensive reporting functionality, Portfolio Wrap also allows you to add on an optional Portfolio Administration Service. The administration requirements associated

with running your own investment portfolio can be very time consuming. Records must be kept and maintained in an accurate and concise manner and returns lodged annually. This can be a distraction from your principal investment decisions. The Portfolio Administration Service takes care of the administration requirements relating to your portfolio, (other than your managed funds in the Managed Funds Portfolio Service) including, among other things, the collection of dividends, placement of corporate actions and handling of investor correspondence.

With your reporting and administration requirements taken care of for you, you will have more time to work with your financial adviser and develop a wealth creation strategy to help you achieve your financial goals.

Portfolio Wrap at a Glance

Portfolio Wrap

A sophisticated portfolio reporting service that provides you with accurate and comprehensive reporting for your investment portfolio.

Who is suited to Portfolio Wrap?	<p>Investors who want to concentrate on their wealth creation strategy</p> <p>Investors who have retired and who want a consolidated and simple reporting service for their investment portfolio</p> <p>Investors who value their time and would prefer to outsource the reporting and administration requirements for their investment portfolio</p> <p>Self Managed Superannuation Funds</p>
Comprehensive investment reports	<p>Consolidated daily online reporting for all assets within the portfolio via a secure website, including performance reporting</p> <p>Capital Gains Tax reporting</p> <p>Access provided to account holder or nominated advisers (accountant, lawyer, etc)</p> <p>Quarterly reports</p> <p>Annual consolidated tax report</p>
Fee options	<p>Annual fee charged monthly in arrears</p> <p>Generally tax deductible monthly ongoing fees</p>
Eligible applicants	<p>Individuals over 18 years old</p> <p>Companies</p> <p>Partnerships</p> <p>Trusts (including Self Managed Superannuation Funds or Estates)</p> <p>Associations</p>
Flexible eligible asset options	<p>Cash</p> <p>Term deposits</p> <p>Shares and other listed securities</p> <p>Options</p> <p>Wholesale managed funds</p> <p>Margin lending</p>
Minimum account balance	\$100,000
Portfolio Administration Service (optional)	Saves you on paperwork relating to your investments and from the time consuming process of responding to such paperwork.

Part 1

Introduction

About Morgan Stanley Wealth Management

Morgan Stanley's Wealth Management group serves many of the world's most sophisticated and demanding institutional and individual investors. Our global presence and expertise allow us to provide our clients with financial advice, integrated solutions and intelligence across all the world's major markets. We provide brokerage and investment advisory services covering various investment alternatives; comprehensive financial and wealth planning; retirement and superannuation services; insurance and annuity products; cash management and lending products.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 43 countries. In Australia, Morgan Stanley Wealth Management is a Participant of ASX, a clearing participant of ASX Clear and a settlement participant of ASX Settlement.

Portfolio Wrap

Portfolio Wrap is a facility through which you retain beneficial ownership of your investments and we assist you in monitoring and record keeping of your portfolio.

By using Portfolio Wrap we will provide you with the following:

- portfolio and capital gains tax position reconstruction when transferring existing assets to Portfolio Wrap
- record of all investment transactions conducted in your portfolio, including dividend and income transactions
- daily valuation of your investment portfolio via the Morgan Stanley Wealth Management website
- ability to have unlisted assets recorded as part of your portfolio such as unlisted fixed interest securities¹
- website access for your financial adviser to view accurate reports to assist in monitoring your entire portfolio that provides for a proactive approach for the investment of your portfolio
- website access for your accountant (if requested) to view accurate tax reports to assist in monitoring the tax position of your portfolio
- quarterly reports on the progress of your investments and capital gains tax position
- annual tax report to assist in the preparation of your annual tax return.

ELIGIBLE ASSETS

Portfolio Wrap provides you with the flexibility to work closely with your financial adviser in constructing a portfolio of investments to suit your wealth creation strategy. Under Portfolio Wrap the minimum initial investment is \$100,000, which can include, but is not limited to, any of the following eligible assets:

¹ Where you would like your unlisted assets recorded through your Portfolio Wrap account, the valuation of these assets will be updated on a periodic basis only where the valuation is provided by you to your financial adviser.

- shares and other listed securities
- bank bills and term deposits
- exchange traded options
- wholesale managed funds
- cash.

CASH ACCOUNT

Portfolio Wrap requires the establishment of a Cash Account. Currently, you have the option to use any one of the following Cash Accounts:

- a Macquarie Cash Management Account;
- an ANZ V2 Cash Management Account; or

Your Cash Account acts as the central cash management account and facilitates the daily settlement of your investment transactions.

All dividends and income relating to your investments are credited to your Cash Account and all payments and expenses relating to your investments are debited from this account.

The Cash Account provides you with the convenience to complete your personal transactions through this one account.

If you do not have an existing Cash Account then you will need to open one of these accounts prior to using Portfolio Wrap. For further information in relation to the Cash Account options available through Portfolio Wrap, please consult with your financial adviser.

WHOLESALE MANAGED FUNDS

The managed funds available through Portfolio Wrap are accessed at wholesale rates, which are generally cheaper than retail rates. Your financial adviser can provide you with the approved list of wholesale managed funds free of charge. Investments into these wholesale managed funds must be placed by your financial adviser.

If you wish to invest in wholesale managed funds through Portfolio Wrap, you should read the applicable managed fund's Product Disclosure Statement ("PDS") before deciding to invest. You should also be aware that the terms and conditions applicable to wholesale managed funds are separate and additional to the Terms and Conditions applicable to Portfolio Wrap included in this Investor Brochure.

REPORTING

At Morgan Stanley Wealth Management we believe that the better the quality of your reporting, the more effectively you can manage your portfolio and make informed investment decisions. Portfolio Wrap reporting is available online and in a quarterly reporting package and includes the following:

- a record of all transactions in relation to your portfolio, including corporate actions such as bonus issues and rights issues
- a portfolio summary with an overview of asset and sector allocations within your portfolio
- a record of all income and dividends received in relation to your portfolio
- a record of expenses and payments made in relation to your portfolio
- performance reporting for your portfolio
- capital gains tax reporting for your portfolio.

The quarterly reports have been designed to help you optimise any capital gains or losses. Individual tax lots may be advised to your financial adviser.

You and (subject to your written consent) your nominated representatives, can view your portfolio at any time online through the Morgan Stanley Wealth Management website at www.morganstanley.com.au. This provides you with a secure avenue for accessing details on your portfolio 24 hours a day, seven days a week from anywhere in the world.

Finally at year end, or as often as agreed, your financial adviser will also invite you to review your investment portfolio and plan for the coming year taking into consideration your financial requirements, investment and lifestyle objectives for the year ahead.

Portfolio Administration Service

Portfolio Wrap allows you to add on a Portfolio Administration Service. This portfolio administration function is an additional service within Portfolio Wrap.

This service means that you are relieved from the receipt of paperwork (examples below) relating to your investments and from the time consuming process of responding to this paperwork. The investments held within your portfolio,

other than the managed funds held in the Managed Funds Portfolio Service, continue to be held in your name and the Portfolio Administration Service simply handles, on your behalf, the management of the paperwork associated with your portfolio.

The Portfolio Administration Service includes the following key service benefits:

DIVIDENDS AND DISTRIBUTIONS

Upon the purchase or transfer of an asset to Portfolio Wrap, an instruction will be provided to the share registry with regard to your preference for receiving income. Any income from listed securities can be directly credited to your Cash Account linked to Portfolio Wrap or in the case of listed securities reinvested, where a dividend reinvestment program is offered.

DIVIDEND AND DISTRIBUTION RECONCILIATION

At the end of every month a reconciliation will be conducted of your portfolio to ensure that all income in relation to your portfolio has been correctly credited to your Cash Account or reinvested.

CORPORATE ACTIONS

When companies have corporate actions such as rights issues or bonus share plans, your financial adviser will contact you as required to request your instructions. Upon receipt of these instructions, advice will be provided to the share registry together with the completed paperwork. You will generally not be able to participate in corporate actions relating to your managed funds.

STORAGE OF PAPERWORK

The paperwork relating to your portfolio will be stored securely and will be available should you require any relevant documentation for a specific purpose. The storage of your paperwork will be for at least seven years from the date of issue and will assist you in complying with your requirements as a taxpayer to retain taxation records.

The portfolio administration function is an additional service provided within Portfolio Wrap. To facilitate the management of this function on your behalf you will need to complete and sign the Appointment and Authorisation of

Portfolio Administrator form provided to you by your financial adviser. Please note that concise annual reports and notices of shareholder meetings and voting papers in respect of any of your eligible assets held within Portfolio Wrap will not be retained or provided to you.

For further information in relation to the Portfolio Administration Service, please consult with your financial adviser.

Margin Lending

A margin lending facility is simply a line of credit (much like an overdraft), which is secured by shares, managed funds or cash (known as “security” or “collateral”). This means that by using shares, managed funds or cash as security, you can use borrowed funds to increase your investment exposure.

A Morgan Stanley Wealth Management margin lending facility will allow you to borrow funds for investment purposes. However, as with any investment loan, investing through margin lending involves risk. Although borrowing to increase your investment may potentially increase your returns, it may also potentially magnify your losses.

Therefore, we strongly recommend that, before you establish a Morgan Stanley Wealth Management margin lending facility, you speak to your financial adviser to determine the suitability of margin lending for you and the risks associated with margin lending. You should also read and understand the terms and conditions and any disclosure documents applicable to Morgan Stanley margin lending. Your financial adviser can provide these documents to you.

If you do decide to establish a Morgan Stanley Wealth Management margin lending facility you may also use Portfolio Wrap’s reporting package. The reporting package will capture the relevant details from your Morgan Stanley Wealth Management margin lending account, including the loan balance, interest charges, loan draw-downs and repayments.

For further information in relation to Morgan Stanley Wealth Management’s margin lending facility, including the level of borrowing permitted for specific securities, please consult with your financial adviser.

Fees and Charges

The total fees and charges payable will include the costs of Portfolio Wrap as well as the costs of any managed funds you choose.

It is important to understand the fees specifically applicable to any investment you choose, and that those fees are in addition to the fees charged by Morgan Stanley Wealth Management for Portfolio Wrap.

The costs associated with the managed funds or Cash Account you choose will generally be set out in the PDS for those financial products.

COSTS OF PORTFOLIO WRAP

Fees and charges payable in relation to Portfolio Wrap comprise:

ADVISER FEE

The Adviser Fee is the amount you pay to Morgan Stanley Wealth Management for the services provided by your financial adviser. The fee is a flat monthly charge or an asset based fee and is charged monthly in arrears. Where your investment portfolio is funded in part or in whole by a margin loan or any other form of credit facility, an asset based fee arrangement cannot be used. Asset based fees are calculated based on the average daily value of eligible assets, including your cash holdings, of your account or household against a fee schedule. A household comprises your Portfolio Wrap account and any qualifying accounts of your spouse, dependents, and entities which you, your spouse or your dependents control, including superannuation accounts.

Adviser Fees can be charged in any of the following formats:

- Tiered percentages
- Flat percentage
- Flat dollar amount.

The format of the Adviser Fee for your Portfolio Wrap account(s) will be agreed with your financial adviser.

ADMINISTRATION FEE

The Administration Fee covers the cost of the Portfolio Wrap reporting platform and associated administrative services. An Administration Fee of \$1,320 p.a. (including GST) is payable on your Portfolio Wrap Account. If you elect to include the Portfolio Administration

Service then the Administration Fee is \$1,980 p.a. (including GST). The Administration Fee is payable monthly in arrears.

BROKERAGE

Brokerage is an amount you pay Morgan Stanley for entering into transactions for you in relation to financial products and forms part of the total consideration you pay or receive in relation to the transaction. Morgan Stanley brokerage is calculated as a flat dollar amount or as a percentage of the value of the transaction and may include a minimum fee.

Brokerage rates generally range from nil to 2% (excluding GST) of the value of the transaction and may vary depending on the type of financial product to which the transaction relates. You will be advised of the specific brokerage rates applicable to you when you open an account with us and of any changes to our brokerage rates from time to time.

COSTS OF INVESTING IN MANAGED FUNDS

The managed funds you invest in have their own fees and charges. Details of the fees can be found in the PDS for each managed fund.

MANAGED FUND ONGOING FEES. Each managed fund has ongoing management fees and charges. The ongoing fees are usually expressed as an Indirect Cost Ratio (“ICR”) as a percentage per annum of the average value of the fund over the year. The ICR is calculated for each financial year.

TRANSACTION COSTS. Some managed funds have a difference between their entry and exit prices - which is an allowance for the transaction costs of buying and selling assets in the managed fund.

ENTRY AND EXIT FEES AND TRANSFER FEES.

Entry or exit fees are not charged by a fund manager when you invest in a managed fund through the Managed Funds Portfolio Service. However, where an investor transfers an interest in managed funds into or from their portfolio, Morgan Stanley Wealth Management will be charged a fee by Ausmaq for the transfer. Morgan Stanley Wealth Management may pass this transfer fee onto you, together with any applicable government and statutory charges for the transfer.

Adviser Fee Tiered Percentages

The Adviser Fee is charged as a tiered percentage. Asset based fees are calculated based on the average daily value of eligible assets, including your cash holdings, of your account as detailed below:

Sample Tiered Percentages	% PA inclusive GST
First \$1,000,000	2.20
\$1,000,001 to \$5,000,000	1.65
\$5,000,001 to \$10,000,000	1.10
\$10,000,001 and above	0.77

Adviser Fee Tiered Percentage Fee Example

Assume a \$6,000,000 account being charged at the tiered percentage rates described above:

Tiered Percentage Fee Example		
First \$1,000,000	2.2%	\$22,000
Next \$4,000,000	1.65%	\$66,000
Last \$1,000,000	1.1%	\$11,000
Total balance = \$6,000,000	Admin Service Fee	\$1,980
	Total Fee	\$100,980

*All fees quoted are inclusive of GST.

Adviser Fee Flat Percentage Example

A flat percentage fee is where the same percentage fee is charged for all assets within the portfolio. The percentage rate will be the same irrespective of the size of the portfolio.

Assume a \$6,000,000 account being charged a 1.65% p.a. flat percentage rate.

Flat Percentage Fee Example		
\$6,000,000	1.65%	\$99,000
Total balance = \$6,000,000	Admin Service Fee	\$1,980
	Total Fee	\$100,980

*All fees quoted are inclusive of GST.

Adviser Fee Flat Dollar Amount Example

A flat dollar fee is where the same dollar amount is charged for all assets within the portfolio. The dollar amount will be the same irrespective of the size of the portfolio.

Assume a \$6,000,000 account being charged a \$99,000 flat dollar fee:

Flat Dollar Amount Fee Example		
\$6,000,000		\$99,000
Total balance = \$6,000,000	Admin Service Fee	\$1,980
	Total Fee	\$100,980

*All fees quoted are inclusive of GST.

OTHER FEES

STATUTORY FEES AND CHARGES.

Statutory fees and charges such as government taxes (e.g. GST, capital gains tax, financial institutions duty ("FID"), Exchange Fees, Personal Property Securities Register Registration Fee (if applicable)) related to the arrangement of your portfolio are payable by you.

AUSMAQ ADMINISTRATION FEE. Any interest earned on money held on your behalf in a Transaction Trust Account is retained by Ausmaq as a fee for administering that Transaction Trust Account.

Cash balances in your Transaction Trust Account are normally swept to your cash account daily.

COSTS OF YOUR CASH ACCOUNT

There are no transactional or account keeping fees in relation to your Cash Account. However, you will be responsible for any applicable government charges or taxes. You will be entitled to interest earned on your Cash Account.

An ongoing commission of up to 0.35% p.a., based upon the average monthly balance of the Cash Account, is payable monthly to Morgan Stanley Wealth Management by the provider of the Cash Account. For example, if your average monthly balance in your cash management account is \$10,000, the issuer will pay up to \$35.00 p.a. to Morgan Stanley Wealth Management.

FEE EXAMPLES

To illustrate how fees may be charged we have provided a number of examples. These are for illustration purposes only and assume no brokerage is charged and the Portfolio Administration Service has been selected.

FEES RECEIVED FROM OTHER PARTIES

Ausmaq may receive a fee from fund managers and other financial product providers in relation to the Managed Funds Portfolio Service. Any amounts received may be based on the amounts invested or other factors. Ausmaq will pass on all of the fees received to you.

Risks and Taxation

Portfolio Wrap offers a wide range of investment options to meet different risk and return expectations.

ALL INVESTING INVOLVES RISK

It is important to note that all investments involve varying degrees of risk. The most apparent risk is that investment holdings may not perform in accordance with your expectations and/or you suffer a loss.

There are many factors beyond the control of investors that may affect the return of capital and/or return on the invested capital. Each investment in each asset class is exposed to different and/or varying levels of risk, which will include one or more of the following:

MARKET RISK. The performance of investment markets are affected by the economic climate, regulatory changes, as well as consumer and investor sentiment.

SPECIFIC ASSET RISK. Each specific investment in each asset class, is subject to its own specific risks relating to its operations and business activities undertaken in the industry, market and geographic area within which it operates.

INTEREST RATE RISK. This can affect the return on fixed interest investments and can also have a direct or indirect impact upon the value and return of other investments, particularly those that rely upon borrowings to fund their activities.

CREDIT RISK. The risk of loss arising from the failure of another party to meet their obligations. Additionally, the price of securities may be negatively impacted by any changes in the credit rating of the underlying companies.

Once you have taken these factors into account, you and your financial adviser can choose the investment strategy that suits your risk/return profile and helps you achieve your goals.

DIVERSIFICATION

One of the best ways to help manage risk is to diversify your investments. Diversification means spreading your investments across:

- a range of asset classes including shares, property, fixed interest and cash investments

- a number of different securities (in different regions or sectors) or fund managers (with different investment styles), and

- both local and overseas investments.

Diversification may help reduce the risk because it minimises the impact of poorly performing asset sectors, while allowing you to benefit from sectors that are performing well. So by spreading your investments you can help reduce the extremes in performance and reduce risk.

OTHER RISKS

The PDS or other disclosure documents for each managed fund will outline the risks associated with that investment. Your financial adviser will be able to help you assess your risk tolerance and endeavour to ensure your investment choices meet your individual investment objectives, financial situation and needs.

If you invest in derivative products such as warrants and options, you should be aware of the specific risks involved in these products before making an investment decision. Before you make any decision to use options in your portfolio we require you to read the Options PDS, available from your financial adviser, and the ASX publication, “**Understanding Options Trading**”, so that you can understand the complexity of these instruments.

If you use a margin loan you should understand that gearing, while increasing your potential for returns, can also increase the size of losses. For further details of the risks you should refer to the Margin Lending PDS.

TAXATION

Any investment decision you make may have tax consequences and may also have social security and stamp duty consequences. The impact depends on your individual circumstances. You are responsible for all such consequences of dealing with your assets.

Generally, each financial year you are liable to pay tax on any capital gains arising on disposal of your investments, interest, distributions, dividends or other income from your investments (even if reinvested). You may be entitled to some rebates or tax credits. We recommend that you seek taxation advice appropriate

to your circumstances before you transact in any assets using Portfolio Wrap.

Collection of a Tax File Number (“TFN”) is authorised and the use and disclosure is strictly regulated by taxation laws and the Privacy Act 1988 (Cth). Quotation of a TFN is not compulsory but tax may be taken out of your distributions, dividends and interest earned at the highest marginal tax rate plus the Medicare levy if you do not quote your TFN or claim an exemption. By quoting your TFN you authorise Morgan Stanley Wealth Management, Ausmaq and the Portfolio Administrator to apply your TFN for investments acquired by you.

If you provide your TFN, Morgan Stanley Wealth Management as sponsoring broker, will lodge your TFN with share registries on your behalf.

If you are not an Australian resident for tax purposes, then interest, dividends and distributions that are paid to you from an Australian source may be subject to withholding tax. You are subject to the tax laws of your country of residence and should obtain tax advice before investing.

Frequently Asked Questions

Q. What are the benefits of Portfolio Wrap?

- A.** Portfolio Wrap suits investors who do not have the time or inclination to personally manage or administer their investment portfolio.

The benefits to using Portfolio Wrap include:

- the flexibility of selecting the assets that you would like recorded and reported;
- the ability to hold your investments in a centralised portfolio facility and control the investment decisions in conjunction with the financial adviser;
- comprehensive reporting across all assets; and
- concise tax reporting at year end.

Q. Do I have to use the Portfolio Administration Service?

- A.** No, if you would prefer to receive the correspondence concerning your investments, including corporate action advices and dividend statements, then you would simply select Portfolio Wrap without the Portfolio Administration Service when completing the Portfolio Wrap application form. This would then allow you to receive the mail concerning your investments while at the same time still access the comprehensive reporting function provided by Portfolio Wrap. However, the issuers of your managed fund investments held through the Managed Funds Portfolio Service will not distribute mail to you as the investments are held in a pooled custodial facility. The information on these investments however, will form part of Portfolio Wrap reporting.

Q. What is the minimum account size needed to commence a Portfolio Wrap account?

- A.** In order to commence a Portfolio Wrap account you need at least \$100,000 in eligible assets.

Q. How does Portfolio Wrap differ from a traditional broking account?

A traditional broking account does not generally provide you with any portfolio reporting or administration services and will incur full brokerage fees each time an investment is made.

Q. Are the ongoing fees applicable under Portfolio Wrap deductible?

- A.** The Australian Tax Office (“ATO”) has issued Tax Determination 95/60 in relation to the deductibility of on-going management fees or retainers. In the Tax Determination, the ATO advises that on-going management fees or retainers are deductible provided they relate to the gaining or producing of assessable income. Section 8-1 of the Income Tax Assessment Act 1997 also provides that on-going management fees are deductible. On this basis, the monthly fees applicable under Portfolio Wrap will be tax deductible in most cases and may be able to be used to reduce your assessable income.

Please note that before proceeding to use Portfolio Wrap, we strongly recommend that you should seek independent taxation advice as Morgan Stanley Wealth Management are not tax advisers and cannot guarantee that the monthly ongoing fees will be deductible expenses in your personal taxation situation.

Q. Is there a restriction on the type of assets that can be held within Portfolio Wrap?

- A.** The only restriction on the type of asset that can be held relates to the reporting functionality of Portfolio Wrap. For example, unlisted assets such as property or unlisted fixed interest will not be captured automatically for reporting purposes but can be incorporated manually in the reports where you provide valuations of these assets to your financial adviser. For a complete list of eligible assets please refer to your financial adviser.

Q. Can I use Portfolio Wrap to manage my self managed superannuation fund’s assets?

- A.** Yes, a self managed superannuation fund can use Portfolio Wrap to manage its assets.

Morgan Stanley Wealth Management can also facilitate the establishment and ongoing management of self managed superannuation funds, including the preparation of the annual accounts for the self managed superannuation fund.

Part 2

The Managed Funds Portfolio Service

Financial Services Guide and IDPS Guide

Effective Date: 1 January 2015.

Issue No 3 (Preparation of this Guide was completed by Ausmaq on 31 December 2014).

Issued by Ausmaq Limited (ABN 53 062 527 575, AFSL 230684) (referred to as "Ausmaq").

The Managed Funds Portfolio Service is a transaction, custody and administration service for managed funds. It is provided by Ausmaq, and made available to you by arrangement with Morgan Stanley Wealth Management as part of Portfolio Wrap.

Important information

The Managed Funds Portfolio Service is an Investor Directed Portfolio Service ("IDPS"). The Managed Funds Portfolio Service allows you to decide which managed funds you acquire and dispose of and when you do so. It also gives you access to wholesale managed funds which are not usually available to individual investors. All managed funds you acquire through the Managed Funds Portfolio Service are held on trust for you by Ausmaq or its Sub-Custodian.

Before investing through the Managed Funds Portfolio Service, you should read this Financial Services Guide and IDPS Guide ("Guide") carefully. Words with special meanings are defined in the Glossary.

This Guide is designed to assist you in deciding whether to use the Managed Funds Portfolio Service. The Guide includes important information about:

- the financial services Ausmaq can offer to you;
- how Ausmaq and its associates are paid; and
- Ausmaq's internal and external complaints handling procedures and how you can access them.

You should also have or receive from Morgan Stanley Wealth Management:

- a Financial Services Guide, containing information about the financial services Morgan Stanley Wealth Management can provide to you.
- if Morgan Stanley Wealth Management provides you with personal advice, a Statement of Advice setting out the advice, the basis on which it is given, any potential consequences and risks associated with the advice and further information on remunerations, commissions and fees, conflicts of interest and other matters related to the advice.

- before you invest in any managed fund through the Managed Funds Portfolio Service, a current PDS for that fund which will include information on the investment strategy, the risks and costs of investing in the fund, and other important information.

Ausmaq is not responsible for the content of these other documents.

Ausmaq does not provide any advice or recommendations about the investments available through the Managed Funds Portfolio Service and is not responsible for any other part of Portfolio Wrap. This Guide contains general financial product advice only. Ausmaq is not aware of your objectives, financial situation or needs and has not taken those matters into account in preparing this Guide. Before acting on any advice in this Guide, you should consider whether it is appropriate to your objectives, financial situation and needs.

If you agree to use the Managed Funds Portfolio Service, this Guide, the Application Form you sign and the IDPS Contract together form your agreement with Ausmaq. The current Guide and IDPS Contract for the Managed Funds Portfolio Service are available from Ausmaq free of charge.

Ausmaq is part of Clearstream S.A. An investment through the Managed Funds Portfolio Service does not represent a deposit with or liability of Ausmaq (or its Sub-Custodian), or Clearstream S.A. None of Clearstream S.A., Ausmaq (or its Sub-Custodian) or any other member of Clearstream S.A. guarantees the repayment of capital invested through the Managed Funds Portfolio Service, payment of income or performance of the Managed Funds Portfolio Service or any investments selected by you. Investments through the Managed Funds Portfolio Service are subject to investment and other risks. This may involve delays in re-payment and loss of income and capital invested.

Who is Involved?

OPERATOR AND CUSTODIAN

Ausmaq Limited (ABN 53 062 527 575) is the operator and custodian of the Managed Funds Portfolio Service.

The Managed Funds Portfolio Service is an Investor Directed Portfolio Service (“IDPS”), which is a badged version of the Ausmaq IDPS.

In order to operate the Managed Funds Portfolio Service, Ausmaq has an Australian Financial Services Licence (“AFSL”). The services Ausmaq is authorised to provide under its AFSL include operating the IDPS, dealing in managed investment schemes and securities on behalf of others and providing custodial and depository services.

As the operator of the Managed Funds Portfolio Service, Ausmaq is responsible for ensuring all aspects of the Managed Funds Portfolio Service are delivered to you in accordance with the terms and conditions set out in this Guide and the IDPS Contract.

Ausmaq does not act as a representative of another financial services licensee nor on behalf of any other third party in providing financial services to you.

Ausmaq has professional indemnity insurance which satisfies the requirements for compensation arrangements under the Corporations Act. The insurance includes cover for claims in relation to the conduct of representatives/employees who no longer work for Ausmaq (but who did at the time of the relevant conduct).

SUB-CUSTODIAN

Ausmaq can appoint and replace a nominee or sub-custodian for the Managed Funds Portfolio Service (“Sub-Custodian”) at any time without prior notice to you. Currently the Sub-Custodian appointed by Ausmaq is The Trust Company (PTAL) Limited. The fund manager will register ownership of your managed fund investments in the name of ‘The Trust Company (PTAL) Limited o/a [on account of] Ausmaq’. Ausmaq also retains a sub-register which individually accounts for each of your interests. This means that the Sub-Custodian holds your managed funds in its name on Ausmaq’s behalf, but you retain the beneficial ownership.

PROMOTER

Morgan Stanley Wealth Management is the promoter of the Managed Funds Portfolio Service and is integral to the operation of your managed

funds portfolio. Morgan Stanley Wealth Management will assist you with the opening and operating of your Managed Funds Portfolio Service account.

Morgan Stanley Wealth Management is your primary point of contact and any queries that you have about your Managed Funds Portfolio Service account should be directed to them.

By investing through the Managed Funds Portfolio Service, you authorise Morgan Stanley Wealth Management to act as your agent to provide Ausmaq instructions and receive information from Ausmaq regarding your Managed Funds Portfolio Service account.

Morgan Stanley Wealth Management will also carry out the identification and verification process that is required under the AML/CTF Law on Ausmaq’s behalf.

Morgan Stanley Wealth Management is responsible for:

- Any advice they provide on your managed funds portfolio, including giving you advice on which investments best suit your investment objectives and financial needs, the potential risks and returns of the Managed Funds Portfolio Service and the managed funds available through the Managed Funds Portfolio Service;
- Ensuring you have all relevant information before investing through the Managed Funds Portfolio Service - which includes giving you the most recent PDS provided to Morgan Stanley Wealth Management for the managed funds you wish to invest in through the Managed Funds Portfolio Service;
- Assisting you in establishing your Managed Funds Portfolio Service account;
- Executing your investment instructions;
- Sending Ausmaq your authorised investment instructions and other authorised amendments to your managed funds portfolio on your behalf;
- Transferring proceeds of your Managed Funds Portfolio Service investments held in the Morgan Stanley Wealth Management trust account to your Cash Account;



Key Features Summary

This summary provides an overview of the key features of the Managed Funds Portfolio Service. It is important that you carefully read the Guide in full before investing.

Investors

You must be an Australian resident for tax purposes and an individual 18 years of age or over or a company, partnership, trust, (including a self managed superannuation fund, or estate) or an association to sign up for the Managed Funds Portfolio Service

Investing and withdrawing

	Minimum amount	Payment options
Initial / Additional investments		
Initial investments in managed funds and subsequent top-up investments in a managed fund	\$1,000 per investment	Morgan Stanley Wealth Management deducts cleared funds from your Cash Account
Savings plans	\$250 per month	As above
Investment withdrawals	\$1,000 per managed fund	Paid into your Cash Account

Funds

Funds available An extensive range of managed funds are available for you to invest in through the Managed Funds Portfolio Service. The managed funds available offer access to a broad range of both underlying domestic and international asset types and professional fund managers. This gives you the benefit of greater diversification opportunities and means that you can create a portfolio that takes into account your individual goals. For details of the managed funds available see the Managed Funds Portfolio Service Product List (available from Morgan Stanley Wealth Management).

Fees

Fees and Charges The value of your Managed Funds Portfolio Service account is added to your other investments through Portfolio Wrap in calculating the Adviser Fee you pay to Morgan Stanley Wealth Management. Morgan Stanley Wealth Management may also charge other fees for services they provide to you in accordance with their arrangements with you. For all fees and charges associated with your Portfolio Wrap account please refer to the sections 'Fees and Charges' in Part 1 and 2 of this Investor Brochure.

Distributions and rebates

Payment options Distributions and rebates received by Ausmaq as cash will be credited to your Cash Account

Payment frequency - How often are distributions and rebates paid? The PDS for each managed fund you choose to invest in will indicate the expected frequency of distributions. The payment frequency may vary between funds. All distribution income and rebates received from the fund managers as cash will be transferred to a Morgan Stanley Wealth Management trust account as soon as they are reconciled. Morgan Stanley Wealth Management will then transfer the distribution income and rebates to your Cash Account.

Transaction times

Investments and withdrawals timeframes Ausmaq will process your instructions from Morgan Stanley Wealth Management as soon as practical. If Ausmaq receives both your completed investment or withdrawal instructions, and in the case of an investment have identified and processed your clear funds for that application by 10am (AEST) on a Business Day, generally the instructions will be sent to the fund manager on the same day. If Ausmaq receives your completed investment or withdrawal instructions after 10am (AEST) on a Business Day, generally the instructions will be sent to the fund manager on the next Business Day. Where the fund manager does not calculate unit prices daily, it may take longer for Ausmaq to process your transactions. Neither Morgan Stanley Wealth Management nor Ausmaq are responsible for delays in fund managers processing investments and withdrawals.

Reporting

From Morgan Stanley Wealth Management as part of Portfolio Wrap Morgan Stanley Wealth Management will consolidate your managed fund investments with your other investments and provide consolidated reporting to you as part of Portfolio Wrap

From Ausmaq Ausmaq will provide regular electronic reports on your managed fund investments to Morgan Stanley Wealth Management. You authorise Ausmaq to provide quarterly and annual reports to Morgan Stanley Wealth Management, as your agent, by email.

- Quarterly IDPS reports
- Annual IDPS reports (including a report by Ausmaq's auditors)

- Providing consolidated reporting on your Portfolio Wrap Account (including annual consolidated reporting);
- If you request, providing you with a copy of the quarterly and annual reports Ausmaq produces on your Managed Funds Portfolio Service account. Morgan Stanley Wealth Management will also provide you with assistance to reconcile the Ausmaq reports with the reports provided to you by Morgan Stanley Wealth Management if you so request;
- Providing Portfolio Wrap (except for the Managed Funds Portfolio Service).

Please note that Ausmaq is not responsible for the services Morgan Stanley Wealth Management provides to you. The arrangement you have with Morgan Stanley Wealth Management is separate from the services Ausmaq supplies to you under this Guide.

The Managed Funds Portfolio Service is only available to you through Morgan Stanley Wealth Management. If you change to another dealer or adviser who is not a representative of Morgan Stanley Wealth Management, or your dealer or adviser ceases to be a representative of Morgan Stanley Wealth Management, Ausmaq may suspend or close your Managed Funds Portfolio Service account. If Ausmaq closes your account, you direct Ausmaq to sell your investments and transfer the proceeds into the Morgan Stanley Wealth Management trust account. Morgan Stanley Wealth Management will then transfer such proceeds to your Cash Account. Neither Morgan Stanley Wealth Management nor Ausmaq are liable for any losses you may incur as a result of any such sales or transfers.

Your financial adviser

The Service is only available to you through a licensed financial adviser or through their authorised representative. We believe in the value of financial advice and strongly recommend you regularly keep in touch with your financial adviser.

How to Invest in the Managed Funds Portfolio Service

WHO CAN INVEST IN THE MANAGED FUNDS PORTFOLIO SERVICE?

Australian residents for tax purposes who are:

- Individuals over 18 years old;
- Companies;
- Partnerships;
- Trusts (including self managed superannuation funds or estates); or
- Associations

can invest in the Managed Funds Portfolio Service.

The Managed Funds Portfolio Service is only available to Australian residents for tax purposes. You must notify Ausmaq if you no longer are an Australian resident for tax purposes. In these circumstances, you will be required to sell your investments and close your Managed Funds Portfolio Service account.

OPENING YOUR MANAGED FUNDS PORTFOLIO SERVICE ACCOUNT

Once you and Morgan Stanley Wealth Management have determined the Managed Funds Portfolio Service is appropriate to your needs, to open your account you need to complete the Application Form. Your financial adviser can provide you a copy of the Portfolio Wrap Application Form. All signatories on the account will also need to provide proof of their identity. Morgan Stanley Wealth Management will assist you to complete this form and will lodge it with Ausmaq on your behalf.

You may also be able to transfer your existing managed funds into the Managed Funds Portfolio Service (see next page section titled 'Transfers' for further information).

When you apply for Portfolio Wrap and agree to use the Managed Funds Portfolio Service, you will specifically authorise Morgan Stanley Wealth Management, as your agent, to provide Ausmaq with personal information which they have collected from you or otherwise already holds about you in its records, including your full name, residential address, TFN or ABN, for the purposes of providing you with the Managed Funds Portfolio Service.

Ausmaq will use this information to open and administer your Managed Funds Portfolio Service account, to deduct tax on your income when it is required to do so correctly, and to contact you if necessary.

UNITED STATES CITIZENS

If you identify yourself as a United States citizen or United States resident for tax purposes, we will be obliged to notify the Australian Tax Office ("ATO") which may, in turn, notify the United States tax authority ("IRS"). Should your residency or citizenship status change at any time, please notify your Morgan Stanley financial adviser.

Operating Your Managed Funds Portfolio Service

PAYMENTS

When using the Managed Funds Portfolio Service you will make and receive payments from your Cash Account in relation to your managed funds investments, in the same way as for your other investments through Portfolio Wrap.

When you buy an investment through the Managed Funds Portfolio Service, Morgan Stanley Wealth Management will make the necessary funds available to Ausmaq from your Cash Account.

At the appropriate time, the funds will be transferred to Ausmaq and held in a Transaction Trust Account pending payment to the fund manager. When you sell an investment or receive distributions in cash, the proceeds will be deposited by the relevant fund manager into a Transaction Trust Account and then transferred by Ausmaq to a Morgan Stanley Wealth Management trust account. Morgan Stanley Wealth Management will then transfer the proceeds to your Cash Account (see the section titled 'Your instructions' on page 15 for further information).

Any interest earned on money held on your behalf in a Transaction Trust Account will be retained by Ausmaq as a fee for administering that account.

Investing

The Managed Funds Portfolio Service offers you an extensive range of managed funds.

The majority of managed funds offered through the Managed Funds Portfolio Service are wholesale-priced funds. This means that you can benefit by accessing investments that have lower fees but that may not be available to retail investors because they have high minimum investment levels.

Before investing in a managed fund through the Managed Funds Portfolio Service, you must read the managed fund's PDS which will assist you in determining whether the investment is appropriate for you (Morgan Stanley Wealth Management will give the PDS to you).

HOW TO BUY INVESTMENTS

The managed funds available through the Managed Funds Portfolio Service are listed in the Managed Funds Portfolio Service Product List ("Product List"), which is regularly updated. Morgan Stanley Wealth Management can help you to choose your investments. The minimum investment is currently \$1,000 per managed fund, but Ausmaq may vary the minimum investment amount in the future by giving you at least 30 days prior written notice.

The Product List is available from Morgan Stanley Wealth Management or from Ausmaq without charge.

When you instruct Morgan Stanley Wealth Management, it will then instruct Ausmaq to carry out your instruction on your behalf.

SELECTING INVESTMENT OPTIONS

The managed funds offered through the Service are regularly reviewed by experienced investment professionals and fund rating agencies. A number of factors are taken into consideration when we choose the investment options for the managed funds offered through the Service. These include the performance of the investment option, the investment objective, fees, external research ratings and how easy the investment option is to administer. The selection of investment options recommended by Morgan Stanley Wealth Management is done on an arm's length basis to any fund manager.

HOW TO SELL INVESTMENTS

Morgan Stanley Wealth Management can help you choose the managed funds in your managed funds portfolio you want to sell. Morgan Stanley Wealth Management will instruct Ausmaq to carry out your instructions on your behalf. The minimum withdrawal is currently \$1,000 per managed fund unless your request relates to your entire holding in the relevant managed fund. Ausmaq may vary the minimum amount in the future by giving you at least 30 days prior written notice.

Once Ausmaq receives the proceeds from the sale of your managed funds into the Transaction Trust Account and such funds are reconciled, the proceeds will be deposited into your Cash Account via the Morgan Stanley Wealth Management trust account. Note that the time taken by fund managers to process withdrawal requests can vary. For details on timing refer to the relevant fund's PDS.

Transfers

If you want to transfer managed funds that you already own into the Managed Funds Portfolio Service, you need to contact Morgan Stanley Wealth Management to see if this is possible. Whether they can be transferred will depend on whether the managed fund is available through the Managed Funds Portfolio Service and if the fund manager will permit the transfer. Transfer fees, statutory and government charges such as stamp duty may apply.

You need to be aware that if you want to transfer out managed funds you purchase through the Managed Funds Portfolio Service, you may need to satisfy certain requirements of the managed fund, such as minimum holdings.

Transfers may have tax implications which you should carefully consider with a qualified professional such as an accountant or financial adviser.

Processing Your Instructions and Possible Restrictions

Ausmaq processes your instructions from Morgan Stanley Wealth Management as soon as possible. If Ausmaq receives both your completed investment or withdrawal instructions, and in the case of an investment, has identified and processed your clear funds for that application

by 10am (AEST) on a Business Day, generally the instructions will be sent to the fund manager on the same day. If Ausmaq receives your completed investment or withdrawal instructions after 10am (AEST) on a Business Day, generally the instructions will be sent to the fund manager on the next Business Day.

From time to time, processing your investment instructions may be delayed. For example, where the fund manager does not calculate unit prices daily, it may take longer for Ausmaq to process your transactions. Neither Morgan Stanley Wealth Management nor Ausmaq are responsible for delays in fund managers processing investments and withdrawals.

Funds to pay for purchases of your managed funds will normally be deducted from your Cash Account on the day that Morgan Stanley Wealth Management sends your investment instruction to Ausmaq. If you wish to make a purchase and you do not have sufficient cleared funds in your Cash Account, the transaction will be delayed until cleared funds are available and sent to Ausmaq.

There may also be times that Ausmaq might not be able to process your investment or withdrawal instructions, for example when:

- there are liquidity issues in the investment;
- the fund manager suspends transactions;
- a listed investment is under administration, is suspended or delisted;
- Ausmaq cannot obtain a price; or
- the instruction is incomplete or ambiguous.

How Your Investments are Valued

The value of your managed fund investments are based upon the redemption unit prices as provided by the fund managers and the number of units you hold in each managed fund investment. Unit prices are generally provided daily however there may be times when Ausmaq does not receive updated prices. This may occur when the relevant fund issues a unit price less frequently (e.g. monthly) or when shares are delisted or assets cannot be valued.

Investing Through the Managed Funds Portfolio Service or Direct Investment?

It is important that you understand investing in the Managed Funds Portfolio Service is not the same as investing directly. The following table explains key differences between investing through the Managed Funds Portfolio Service and investing in managed funds directly without using the Managed Funds Portfolio Service.

	Investing with the Managed Funds Portfolio Service	Investing without using the Managed Funds Portfolio Service
Funds and costs		
Wholesale funds	Aggregated holdings through the IDPS give retail investors access to wholesale funds	Generally wholesale funds are not available to retail investors
Fund manager fees	Generally lower fund manager fees using wholesale or mezzanine products	Generally higher fund manager fees with retail products
Entry and exit fees	No entry and exit fees	May have to pay entry and exit fees
Transfer fees	Transfer fees are charged by Ausmaq to Morgan Stanley Wealth Management and may be passed on to investors (together with any applicable government and statutory charges relating to the transfer of funds into or out of the Managed Funds Portfolio Service).	No transfer fees apply
Portfolio fees	Morgan Stanley Wealth Management Portfolio Wrap fees apply	No additional charges (if outside the Portfolio Wrap)
Information		
Reporting	Normal Morgan Stanley Wealth Management reports	Separate reports for each fund
Quarterly and annual tax reports emailed by Ausmaq to Morgan Stanley Wealth Management	You receive regular consolidated reports and information described in this Guide on all investments held in the Portfolio Wrap	Numerous unconsolidated reports for each of your managed funds from each fund manager, including transaction confirmations (if outside Portfolio Wrap)
Issuer communications	Received by Ausmaq and provided to Morgan Stanley Wealth Management	You receive communications from each fund manager
Processing		
Payments	You make and receive payments for your managed funds in the same way as for your other investments through Morgan Stanley Wealth Management	Payments to and from each managed fund must be made and received separately
Transaction timing	Depends on Ausmaq processes and the processes Ausmaq has agreed with the underlying fund managers	Depends on the timing and processes each fund manager offers to retail clients
Identity verification	Generally, only Morgan Stanley Wealth Management and Ausmaq will need to verify your identity	Generally, each fund manager will have to verify your identity

Your Instructions

Morgan Stanley Wealth Management is your agent.

You authorise Morgan Stanley Wealth Management to lodge instructions including changes to your personal details with Ausmaq on your behalf (including electronically).

When you change your personal details (including your address, email address and bank account) you are required to notify Morgan Stanley Wealth Management as soon as possible.

Ausmaq will assume any instructions Ausmaq receives from Morgan Stanley Wealth Management, including changes

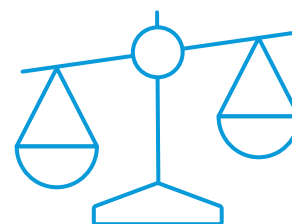
to your personal details, in respect of your Managed Funds Portfolio Service account have been directed and authorised by you.

Unless Ausmaq is otherwise notified in writing by you, you authorise Ausmaq to transfer all proceeds from your investments in the Managed Funds Portfolio Service to the Morgan Stanley Wealth Management trust account (Morgan Stanley Wealth Management will subsequently transfer such proceeds to your Cash Account). Ausmaq is not liable for any delays caused by Morgan Stanley Wealth Management in transferring monies to and from your Cash Account.

When Ausmaq can Refuse to Act on Your Instructions

The Guide describes the process for Ausmaq acting on your instructions. Instructions from you or from Morgan Stanley Wealth Management will be acted on except in limited circumstances, including if:

- Ausmaq suspects that you or Morgan Stanley Wealth Management are in breach of the terms of the Managed Funds Portfolio Service;
- Ausmaq doubts the instructions are genuine;
- your application to join the Managed Funds Portfolio Service or your instructions are unclear or incomplete;



	Investing with the Managed Funds Portfolio Service	Investing without using the Managed Funds Portfolio Service
Other differences		
Ownership	Managed funds are held by Ausmaq's Sub-Custodian but you retain the beneficial ownership	Managed funds are held in your name
Voting rights	Ausmaq holds voting rights attached to your managed funds, but generally will not exercise them. In some cases, Ausmaq may seek your instructions on how to vote. You do not have the right to attend investor meetings nor vote. Ausmaq may attend meetings and/or vote on your behalf if requested to do so by your financial adviser.	You hold any voting rights attaching to your managed funds
Cooling-off	You do not have access or rights to the 14 day cooling off period	Generally, you have the right to obtain a return of product within a 14 day cooling-off period
Privacy	Generally, only Morgan Stanley Wealth Management, Ausmaq and their service providers will have your details	Each fund manager and their service providers will have your details
Distribution reinvestment plans	All distributions received by Ausmaq as cash will be disbursed into your Cash Account. In general, you cannot participate in distribution investment plans.	If offered by the fund manager, you may participate in any distribution reinvestment plans

Other information

Statutory Rights

You may not have the same statutory rights as a direct investor to cancel your investment and receive a full refund if the PDS for an investment option was misleading at the time you invested. However, in such a case you may still have other compensation rights against the investment manager.

Sell investments

Ausmaq may sell investments on your behalf, such as when we need to recoup fees and costs owing on your account

Allocation of units

There may be occasions where Ausmaq or your financial adviser receive an allocation of units via a placement or priority offer from an institution. The allocation may not relate to any particular investor. We may extend such offers to particular investors in the Service but are not required to do so.

- you do not have sufficient units in the managed fund or cleared funds in your Cash Account for Ausmaq to carry out your instructions;
- your instructions conflict with the law, relevant market practices or the terms of the Ausmaq Agreement;
- you cease to be a client of Morgan Stanley Wealth Management;
- Ausmaq wishes to suspend providing the Managed Funds Portfolio Service (for example, to enable Ausmaq to perform maintenance or other work on Ausmaq's systems). Ausmaq will provide you with reasonable notice prior to suspending the service;
- Ausmaq wishes to cease providing the Managed Funds Portfolio Service; or
- Ausmaq decides to stop accepting investments into particular managed funds, including funds in which you have an existing holding.

When Ausmaq can Sell Your Investments Without Your Specific Instructions

Only in a limited number of circumstances would Ausmaq sell some or all of your investments without receiving the usual instruction from you through Morgan Stanley Wealth Management. You irrevocably instruct Ausmaq to sell your investments in the following circumstances:

- if you do anything which suggests you can't satisfy the Managed Funds Portfolio Service requirements when required;
- if Ausmaq decides to stop offering the Managed Funds Portfolio Service, Ausmaq can sell your investments as one option available to Ausmaq for closing your Managed Funds Portfolio Service;

- if you cease to be a client of Morgan Stanley Wealth Management;
- if you have a liability to Ausmaq, Ausmaq can sell some or all of your investments to recover the amount of the liability, and pay you any remaining net proceeds after deducting the liability and Ausmaq's costs of sale;
- if Ausmaq decides to stop holding the relevant managed funds through the Managed Funds Portfolio Service; or
- if Ausmaq is required to redeem your investment(s) under the law.

Ausmaq will notify you before it takes any of the above actions.

Whenever investments are sold there are likely to be tax consequences and this includes when Ausmaq sells them without receiving the usual instruction. Ausmaq will not be liable for any adverse

tax or other consequences of selling your investments or from closing the Managed Funds Portfolio Service or your account.

Closing Your Managed Funds Portfolio Service Account

You can close your Managed Funds Portfolio Service account by instructing Ausmaq or Morgan Stanley Wealth Management in writing. Prior to closing your account you will need to transfer or sell your investments in the Managed Funds Portfolio Service.

If you sell any investments, the net proceeds will be deposited into your Cash Account (via the Morgan Stanley Wealth Management trust account) as described above. If you wish to have the net proceeds paid to a different bank account, you must provide Ausmaq with the new bank account details in writing (a fax or email is not sufficient) and that new bank account must be in the same name as your Managed Funds Portfolio Service account. Alternatively, you may instruct Ausmaq to transfer the assets to you or to a person nominated by you in your notice (as long as any minimum requirements for the assets are met).

If you have investments in illiquid funds, you may not be able to close your account until such time as the fund manager permits you to redeem all your holdings or to transfer your holdings into your name or another service.

This Managed Funds Portfolio Service is only available to you through Morgan Stanley Wealth Management. If you change to another dealer or adviser who is not a representative of Morgan Stanley Wealth Management, or your dealer or adviser ceases to be a representative of Morgan Stanley Wealth Management, Ausmaq may suspend or close your account. In this scenario Ausmaq may either transfer your managed funds portfolio to another provider on your instructions, or transfer the holdings into your own name (subject to any conditions applied by the relevant fund manager). If Ausmaq does not receive your instructions within a reasonable timeframe, Ausmaq may close your account. In this case you instruct Ausmaq to sell your investments and transfer the proceeds into the Morgan Stanley Wealth Management trust account. Morgan Stanley Wealth

Management will then transfer the proceeds to your Cash Account. Ausmaq is not liable for any losses you incur as a result of any such sales or transfers.

Reporting

One of the key advantages of winvesting through the Managed Funds Portfolio Service is the benefit of consolidated reporting.

Ausmaq provides information on your managed funds investments to Morgan Stanley Wealth Management. Morgan Stanley Wealth Management will provide you with consolidated reporting on your managed funds and other investments as part of Portfolio Wrap. Ausmaq can also provide you with quarterly and annual reports as described below.

REPORTING BY AUSMAQ

Ausmaq will provide Morgan Stanley Wealth Management with regular information on your managed fund investments (subject to periodic outages or down-time). This information will normally be current up to at least the previous two Business Days.

In addition, you also consent to Ausmaq providing the following reports by email to Morgan Stanley Wealth Management as your agent:

- a quarterly report listing the transactions on your managed funds portfolio during the quarter, the quantity and value of investments in that portfolio at the end of the quarter, and your revenue and expenses in relation to the Managed Funds Portfolio Service during the quarter. The report will be provided to Morgan Stanley Wealth Management within one month of the end of each calendar quarter;
- an annual report within three months of the end of the financial year - detailing your managed funds portfolio value and giving a summary of your managed fund transactions and income and expenses for the financial year, together with an annual independent auditor's report on Ausmaq's internal controls and its annual and quarterly reports.

The reports may be attached to the email, or Ausmaq may give Morgan Stanley Wealth Management

access to a hypertext link through which Morgan Stanley Wealth Management can access your report. You agree that Ausmaq may provide these reports in this manner.

This information enables Morgan Stanley Wealth Management to:

- deliver their Portfolio Administration Services to you insofar as they relate to your managed funds portfolio, which may include consolidated accounting, taxation, investment performance and management reporting and administration services;
- monitor your managed funds portfolio and to provide you with financial and investment advice.

You may request copies of any previous quarterly and annual reports (including the auditor's reports) by asking Ausmaq or Morgan Stanley Wealth Management. Morgan Stanley Wealth Management will also provide you with assistance to reconcile the Ausmaq reports with the reports provided to you by Morgan Stanley Wealth Management if you so request.

Corporate Actions

Unlike a direct investor in a managed fund, you will not automatically receive annual reports, other information and corporate actions from fund managers, as these are sent to Ausmaq. Corporate Actions are requests to investors to make a decision regarding their investments, for example voting for a change in the constitution of a managed fund in which you have invested.

Ausmaq will not normally seek instructions in relation to voting. Ausmaq may however, vote without your instructions. If Ausmaq does seek your voting instructions, Ausmaq needs enough time to process them. Ausmaq is not always obliged to follow your instructions. Please contact us if you would like a free copy of our voting policy.

You can ask Ausmaq for copies of all fund manager documentation that is required by law to be given to a direct investor (e.g. the audited financial statements of the managed fund) and Ausmaq will provide this to you without charge.

Liability and Indemnities

LIABILITY

Ausmaq will perform its functions honestly and with reasonable care and diligence and although Ausmaq can ask others, such as the Sub-Custodian, to help, Ausmaq is responsible for them and for any other person appointed by Ausmaq to deliver the Managed Funds Portfolio Service to you.

Ausmaq's liability to you is limited to the extent that any loss suffered by you is due to Ausmaq's or its agents' fraud, dishonesty, wilful default or failure to act with reasonable care and diligence.

Ausmaq is not responsible for your investment decisions, you are. Remember, if you lose money investing, you are responsible. It is important that you read the relevant PDS for each managed fund before you invest, and remember you can make losses as well as gains.

Ausmaq is not responsible for the fund managers, and Ausmaq is not responsible for the form and content of the PDS issued by fund managers.

Morgan Stanley Wealth Management is your agent.

Ausmaq is not responsible for any error or delay in the provision of instructions to Ausmaq and is not liable for acting reasonably on any instructions which contain any error or ambiguity.

Ausmaq is not liable for any delays caused by Morgan Stanley Wealth Management in transferring monies to and from your Cash Account.

Ausmaq is not obliged to verify the authenticity of documents, messages or instructions, unless Ausmaq doubts the authenticity of the document, message or instruction. Ausmaq is not liable in respect of anything done in reliance on any instruction given, or in response to any request for information made, by a person Ausmaq reasonably believes to be you or on your behalf, except to the extent caused by Ausmaq's negligence, fraud or dishonesty.

INDEMNITIES

You indemnify Ausmaq and its agents, for all expenses, losses or other liabilities incurred by Ausmaq or Ausmaq's agents in properly performing or exercising any

of its powers or duties in relation to the Managed Funds Portfolio Service on your behalf. Your liability to Ausmaq is not limited to the value of your Managed Funds Portfolio Service account.

Things to Consider About Investing

Before you decide to invest in the Managed Funds Portfolio Service, you need to consider the following:

- your investment goals;
- the savings you will need to reach your goals;
- how many years you have to invest;
- the returns you are expecting from your investments; and
- how comfortable you are with volatility.

Risks Associated with Investing

All investments carry a degree of risk. It is important that you understand these and how they may affect your investments.

INVESTMENT PERFORMANCE

The performance of investments will depend on such factors as the investments chosen, the prevailing market conditions and the state of domestic and international economies. The PDS for each of the managed funds you invest in should explain the risks associated with each managed fund. Neither Morgan Stanley Wealth Management nor Ausmaq guarantee the performance, return or growth of any investment accessible through the Managed Funds Portfolio Service.

ADMINISTRATION

The Managed Funds Portfolio Service is dependent on computer systems and administrative processes. As with all systems and processes there is a risk that these may fail or be interrupted. Such failure could cause delays in processing or reporting investments. Ausmaq manages administration risks by having procedures in place that are designed to ensure that Ausmaq's systems and processes work effectively. Ausmaq is also dependent on the accuracy and efficiency of the administration and computer systems of the fund managers who operate the managed funds you invest in. They will have their own

risk management procedures in place. Ausmaq is not responsible for the acts or omissions of fund managers.

TIMING & DELAYS

Ausmaq will use reasonable endeavours to process your instructions as soon as possible, but Ausmaq is not responsible for delays, including delays caused by communications failure or processing by the fund manager or by minimum investment requirements imposed for a managed fund not being met.

Delays may also arise where, in Ausmaq's opinion, your instructions are incomplete or unclear in relation to an investment in the Managed Funds Portfolio Service or an application to use the Managed Funds Portfolio Service. In those circumstances Ausmaq may place all of the relevant investment in the Morgan Stanley Wealth Management trust account or the Transaction Trust Account while Ausmaq seeks your instructions. Neither Morgan Stanley Wealth Management nor Ausmaq are liable for any loss that may result from such delays occurring.

MANAGEMENT RISK

As your investments will be managed by fund managers there is a risk that the fund manager will not perform to expectation.

Fees and Charges

The total fees and charges you pay will include the costs of Portfolio Wrap as well as the costs of the managed funds investments you choose. It is important that you understand the fees of any investment you choose, and that those fees are in addition to the fees charged by Morgan Stanley Wealth Management for Portfolio Wrap, together with transaction and account costs incurred on your behalf. The costs of the investments you choose will generally be set out in a disclosure document or PDS for the investments.

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return

by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

TO FIND OUT MORE

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

This IDPS Guide shows fees and other costs that you may be charged. These fees and costs may be deducted from your cash, from the returns on your investment or the Managed Funds Portfolio Service as a whole.

You should read all the information about fees and costs of the particular investment option you chose because it is important to understand their impact on your investment.

Fees and costs for particular investment options are set out in the investment manager’s Product Disclosure Statement which is available from your financial adviser.

All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

You may receive a tax deduction for fees charged to your account.

ADMINISTRATION FEE

The Administration Fee covers the cost of the Portfolio Wrap reporting platform and associated administrative services. An Administration Fee of \$1,320 p.a. (including GST) is payable on your Portfolio Wrap Account. If you elect to include the Portfolio Administration Service then the Administration Fee is \$1,980 p.a. (including GST). The Administration Fee is payable monthly in arrears.

COST OF YOUR CASH ACCOUNT

There are no transactional or account keeping fees in relation to your Cash Account. However, you will be responsible for any applicable government charges or taxes. You will be entitled to interest earned on your Cash

Adviser Fee Tiered Percentages

The Adviser Fee is charged as a tiered percentage. Asset based fees are calculated based on the average daily value of eligible assets, including your cash holdings, of your account as detailed below:

Sample Tiered Percentages	% PA inclusive GST
First \$1,000,000	2.20
\$1,000,001 to \$5,000,000	1.65
\$5,000,001 to \$10,000,000	1.10
\$10,000,001 and above	0.77

Account. An ongoing commission of up to 0.35% p.a., based upon the average monthly balance of the Cash Account, is payable monthly to Morgan Stanley Wealth Management by the provider of the Cash Account. For example, if your average monthly balance in your cash management account is \$10,000, the issuer will pay up to \$35.00 p.a. to Morgan Stanley Wealth Management.

COSTS OF THE MANAGED FUNDS PORTFOLIO SERVICE

The value of your managed funds portfolio is added to your other investments through Portfolio Wrap in calculating the fees you pay to Morgan Stanley Wealth Management. Ausmaq does not charge you any fees for the Managed Funds Portfolio Service (other than the interest earned on the Transaction Trust Account, any benefits from netting and any reduced income tax credits (“RITC”) which it is entitled to retain). Instead, the value of your Managed Funds Portfolio Service account is added to your other investments through Portfolio Wrap in calculating the fees you pay to Morgan Stanley Wealth Management.

The fees you pay to Morgan Stanley Wealth Management relevant to the Managed Funds Portfolio Service comprise of the Adviser Fee.

In addition, Morgan Stanley Wealth Management may pass on to you transfer fees relating to the transfer of managed funds into or out of your Managed Funds Portfolio Service account, together with any applicable government and statutory charges relating to such transfer.

Morgan Stanley Wealth Management may also charge other fees for services they provide to you in accordance with their arrangements with you. See Part 1 of this Investor Brochure for further details of the fees and charges payable to Morgan Stanley Wealth Management for Portfolio Wrap.

ADVISER FEE

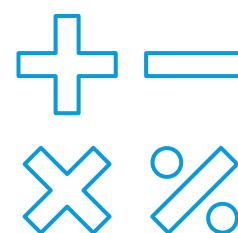
The Adviser Fee is the amount you pay to Morgan Stanley Wealth Management for the services provided by your financial adviser. The fee is a flat monthly charge or an asset based fee and is charged monthly in arrears. Where your investment portfolio is funded in part or in whole by a margin loan or any other form of credit facility, an asset based fee arrangement cannot be used. Asset based fees are calculated based on the average daily value of eligible assets, including your cash holdings, of your account or household against a fee schedule. A household comprises your Portfolio Wrap account and any qualifying accounts of your spouse, dependents, and entities which you, your spouse or your dependents control, including superannuation accounts.

Adviser fees can be charged in any of the following formats:

- Tiered percentages;
- Flat percentage; or
- Flat dollar amount.

The format of the Adviser Fee for your Portfolio Wrap account(s) will be agreed with your financial adviser.

The Adviser Fee based on the Tiered Percentages format is calculated in accordance with the Adviser Fee Tiered



Fees and Other Costs

	Amount	How and when paid
Fees when your money moves in or out of the Managed Funds Portfolio Service		
Establishment fee The fee to open your investment	Nil	There is no Establishment fee
Contribution fee The fee on each amount contributed to your investment	Nil	There is no Contribution fee
Withdrawal fee The fee on each amount you take out of your investment	Nil	There is no Withdrawal fee, Asset Transfer Fee may apply (see page 22)
Exit fee The fee to close your investment	Nil	There is no Exit fee, Asset Transfer Fee may apply (see page 21)
Management Fees		
Adviser Fee	A tier percentage fee, flat percentage fee or flat dollar amount	Charged monthly in arrears and deducted from your Cash Account
Administration Service Fee	\$1,320 p.a. or \$1,980 p.a. including the Portfolio Administration Service	Charged monthly in arrears and deducted from your Cash Account
Investment fee The amount you pay for a specific investment option	Only applies to managed investments and differs according to the investments you hold (refer to the Product Disclosure Statement for the particular investment, available from your financial adviser). Investment managers may vary their fees.	For managed investments, reflected in the unit price
Service Fees¹		
Switching fee The fee for changing investment options	Nil	There is no switching fee

Percentages schedule on page 20. For Adviser Fee examples based on the various formats see the section titled 'Fees and Charges' in Part 1 of this Investor Brochure.

If Morgan Stanley Wealth Management provides you with personal advice it will provide you with details of remuneration (including commission) or other benefits that it receives on financial products to which the advice relates, at the time the personal advice is given or as soon as practicable after that time.

COSTS OF INVESTING IN MANAGED FUNDS

Each managed fund has ongoing management fees and charges. The ongoing fees are usually expressed as an Indirect Cost Ratio ("ICR") – as a percentage per annum of the average value of the fund over the year. The ICR is calculated for each financial year and is an ongoing fee. These fees will generally range from approximately 0.20%p.a. to 2.00%p.a. In addition, some fund managers may charge performance fees typically based on the performance of the fund in excess of a benchmark. Again, these fees will be disclosed in the relevant fund's PDS.

TRANSACTION COSTS. Some managed funds have a difference between their entry and exit prices – commonly known as a buy/sell spread, which is an allowance for the transaction costs of buying and selling assets in the managed fund.

ENTRY AND EXIT FEES. Entry or exit fees are not charged by a fund manager when you invest in a managed fund through the Managed Funds Portfolio Service.

¹ Other Service fees may apply. Refer to the Fees and Charges section on page 19.

Example of Annual Fees and Costs for a Morgan Stanley Portfolio Wrap Account

This table gives an example of how fees and costs for the Portfolio Wrap Service can affect your investment over a one-year period. You should use this table to compare this product with other investment products.

Example: Balance of \$500,000

Contribution Fees	0%	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management Costs		
Adviser Fee charged at 1.10% per year	1.10% x \$500,000	And, for the \$500,000 invested in Portfolio Wrap you will be charged \$5,500 per year
Administration Service Fee charged at a flat rate of \$1,980 per year	\$1,980	And, for the Administration Service Fee you will be charged \$1,980 per year
EQUALS Combined cost of your Portfolio Wrap account		If you had an investment of \$500,000 at the beginning of the year, you would be charged fees of \$7,480 (this is 1.50% p.a. on a balance of \$500,000).

What it costs you will depend on the investment option you choose and the fees you negotiate. Additional fees may apply:

- **Establishment fee** – \$0
- **And**, if you leave the Managed Funds Portfolio Service early, you may also be charged exit fees of 0% of your account balance (\$0 for every \$50,000 you withdraw)

This example assumes no investment gains or losses during the year and the contribution was made on the last day of the year

OTHER FEES

ASSET TRANSFER FEES. Where you transfer an interest in managed funds into or from your Managed Funds Portfolio Service account, Morgan Stanley Wealth Management may be charged a fee of up to \$55 (including GST) by Ausmaq for the transfer. These fees may be changed by agreement between Ausmaq and Morgan Stanley Wealth Management. Morgan Stanley Wealth Management may pass this transfer fee onto you, together with any applicable government and statutory charges for the transfer.

GOVERNMENT AND STATUTORY FEES AND CHARGES. Ausmaq will pass on to Morgan Stanley Wealth Management, who will pass on to you, all applicable government and statutory charges relating to the transfer of an interest in a managed fund into or out of your Managed Funds Portfolio Service account.

ADMINISTRATION FEE. Any interest earned on money held on your behalf in a Transaction Trust Account is retained by Ausmaq as a fee for administering that Transaction Trust Account.

PERFORMANCE FEE. An investment manager may charge a performance fee when its investment returns exceed a specified level. You can get more information on how performance fees are calculated by going to the investment

option's Product Disclosure Statements available from your financial adviser.

BUY/SELL SPREADS. These are an allowance investment managers may make for the costs of buying and selling assets when calculating unit prices for managed investments. These costs include brokerage and stamp duty. When you transact on your account you may pay a small proportion of your transaction towards meeting these costs. For more information go to the investment option's Product Disclosure Statement available from your financial adviser.

OTHER ADVISER REMUNERATION. Your financial adviser does not receive commission for the Managed Funds Portfolio Service.

Your financial adviser may receive alternative forms of remuneration, such as conferences and professional development seminars that have a genuine education or training purpose. These are paid from the Administration fee and are not an additional cost to you.

OTHER FEES WE MAY CHARGE. Fees may be charged if you request a service not currently offered. We'll agree any additional fee with you before providing the service. We may pass on any costs we incur in implementing Government legislation or fees charged by third parties.

VARYING FEES. We may vary our fees or costs but we will give you 30 days notice

of any increase. The only exception is for investment fees, which vary daily with investment costs, and Government taxes and charges. Investment managers may vary their investment fees as set out in their Product Disclosure Statement available from your financial adviser.

EXAMPLE OF TOTAL ANNUAL FEES

The table on page 22 shows an example of the ongoing fees and charges for investing in managed funds through the Managed Funds Portfolio Service over a one year period.

The example assumes that the investor is using Portfolio Wrap and has an overall investment portfolio of \$500,000.

The estimated fees do not include any additional fees, as they will vary from investor to investor such as transaction costs for buying or selling managed funds imposed by the fund manager and any other fees payable by you to Morgan Stanley Wealth Management. These fees will be additional costs to you.

FEES RECEIVED FROM OTHER PARTIES

Morgan Stanley Wealth Management pays Ausmaq for the Managed Funds Portfolio Service from its own funds on a sliding scale of up to 0.275% per annum (including GST) on the total value of funds held through the Managed Funds Portfolio Service, plus a fee of up to \$55 (including GST) for certain types of transactions

including transfers, providing additional reports, and providing copies of issuer communications. These fees may be changed by agreement between Ausmaq and Morgan Stanley Wealth Management.

Some fund managers may provide Ausmaq with a rebate on their investment manager fee (i.e. the ICR). Ausmaq will pass this rebate back to you. If the investment manager provides rebates on their ICR, this will be disclosed in the relevant fund's PDS.

EXPENSES

Under the IDPS Contract, you agree to pay Ausmaq for any expenses incurred in relation to your Managed Funds Portfolio Service account including audit fees, brokerage, bank fees, government charges, taxes, communication costs and adviser's fees (including the costs of legal, financial and tax advice). You agree that expenses are payable out of, and may be set off against, the assets in your Managed Funds Portfolio Service account. You direct Ausmaq to sell your managed fund assets to meet such expenses.

However, Ausmaq does not currently recover any expenses on account of audit fees, bank fees, communication fees and adviser's fees (including costs of legal, financial and tax advice).

RELATED PARTY DISCLOSURE

Ausmaq's employees are remunerated on a salary basis and do not receive any proportion of any fees or commissions paid to Ausmaq in connection with the Managed Funds Portfolio Service. Some of the financial products offered through the Managed Funds Portfolio Service may be managed funds and other financial products issued by other companies in Clearstream S.A.

Companies in Clearstream S.A. that are product issuers may receive fees in relation to their products. These fees are set out in the PDS (or other disclosure document) for the particular financial product. Any fees or commissions paid to a Clearstream S.A. company may also ultimately benefit their representatives (who may receive a proportion of commissions paid to the company), employees or other associates of the company and other members of the Clearstream S.A.

NETTING

Ausmaq may offset instructions to sell or redeem investments against instructions from various clients, including clients of other services, to buy or apply for investment so that only the 'net' transactions need to be acted on. As a result, sometimes no transactions need to be made at all. This is sometimes referred to as 'netting'. Ausmaq is entitled to a fee equal to any benefit that Ausmaq may secure from netting as a fee payable to Ausmaq.

GOODS AND SERVICES TAX

Fees charged by the Managed Funds Portfolio Service may be eligible for GST RITCs. Ausmaq currently does not claim any RITCs in respect of Managed Funds Portfolio Service fees.

If Ausmaq commences claiming RITCs in respect of the Managed Funds Portfolio Service fees, you agree Ausmaq can retain the benefit of the credits as a fee payable to Ausmaq. The fees quoted in this Guide are inclusive of GST unless otherwise noted (and net of any RITC).

Other Things You Need to Know

MANAGED FUNDS PORTFOLIO SERVICE TERMS AND CONDITIONS

By participating in the Managed Funds Portfolio Service, you agree to be bound by the terms and conditions of the Managed Funds Portfolio Service, which are contained in this Guide, the Portfolio Wrap Application Form you sign and the IDPS Contract (which together constitute your agreement with Ausmaq and are referred to in this Guide collectively as "the Ausmaq Agreement").

IDPS CONTRACT. The IDPS Contract governs the relationship between you and Ausmaq and sets out the rights, entitlements and obligations of you and Ausmaq. You can request a copy of the IDPS Contract from Ausmaq without charge.

The IDPS Contract contains provisions, and incorporates ASIC policy, including:

- Ausmaq's obligation to act honestly and with reasonable care and diligence and to ensure Ausmaq's agents (including the Sub-Custodian) also do so;
- Ausmaq's obligation to compensate you for the acts or omissions of its

agents as if they were the acts or omissions of Ausmaq;

- Ausmaq's obligation to ensure that all investments held by it (or the Sub-Custodian) on your behalf are held on trust for you;
- Ausmaq's obligation to hold any money Ausmaq receives from you in the Trust Transaction Account;
- Your right to request a copy of all communications that are required by law to be given to a direct investor and Ausmaq's obligation to provide those communications to you;
- Ausmaq's obligation not to acquire assets for you unless it is reasonably satisfied that the proper disclosure regarding those assets has been made to you;
- your right to receive reports relating to your investments and Ausmaq's obligation to provide you with those reports;
- Ausmaq's right to vary the terms and conditions of the Managed Funds Portfolio Service;
- your right to close your account;
- Ausmaq's powers, including the power to:
 - appoint a custodian (including the Sub-Custodian) to hold your investments held by Ausmaq on trust for you;
 - combine your investment with other investments Ausmaq holds into an omnibus holding as long as adequate records are maintained that identify your holdings;
- Ausmaq's right to retire as operator and/or custodian of the Managed Funds Portfolio Service and to appoint another entity as operator and/or custodian;
- Ausmaq's liability to you is limited to the extent that any loss suffered by you is due to Ausmaq's or its agents' fraud, dishonesty, wilful default or failure to act with reasonable care and diligence;
- Ausmaq's right of indemnity against you for any expenses, losses or other liabilities incurred by Ausmaq or Ausmaq's agents in properly performing or exercising any of its powers or duties in relation to the Managed Funds Portfolio Service on your behalf.

VARIATIONS. The Ausmaq Agreement with you may be varied by Ausmaq at any time. This includes changes to the fees for the Managed Funds Portfolio Service. Ausmaq is also able to change the way Ausmaq runs the Managed Funds Portfolio Service. Ausmaq will give you reasonable prior notice, but no less than 30 days, of any amendments or changes that Ausmaq believes are adverse to you.

ASSIGNMENT. You cannot assign or try to assign any of your rights or obligations under the Ausmaq Agreement without Ausmaq's prior written consent. Without this, any purported assignment is void.

GENERAL. If part of the Ausmaq Agreement (or its application to any person or circumstance) is or becomes invalid or unenforceable, then the other provisions are not affected.

The Ausmaq Agreement is governed by the laws in force in New South Wales.

READ DOWN CLAUSE. If any law making unfair contract terms void could apply to a term in the Ausmaq Agreement, the following rules apply to interpreting that term.

(a) If the law would make the term void because the term permits Ausmaq to exercise a right or discretion in a way or to an extent that would cause detriment to you, the term shall be read down and construed so as not to permit Ausmaq to exercise the right or discretion in such a way or to such an extent but otherwise the term shall be construed as permitting Ausmaq to exercise the right or discretion in all ways and to any extent consistent with the term.

(b) If the law would make the term void because the term imposed a particular amount for a fee or charge, the term shall be read down and construed as authorising the maximum amount for that fee or charge which would not cause the term to be void.

(c) If the law would make the term void because it authorised Ausmaq to recover costs or losses or damages to be calculated by Ausmaq in a specified way or in a way Ausmaq chose, the term shall be read down and construed as authorising Ausmaq to recover the maximum reasonable costs, losses and damages to be calculated in a reasonable way that did not cause the term to be void.

(d) If, despite the application of rules (a), (b) and (c) above to the term, the law would make the term void, the term is to be read down and construed as if it were varied, to the minimum extent necessary, so that the term is not void.

These reading down rules apply before any other reading down or severance provision in the Ausmaq Agreement.

Anti-Money Laundering and Counter Terrorism

Ausmaq must comply with the Australian Anti-Money Laundering and Counter Terrorism legislation ("AML/CTF Law") which requires the providers of financial products and services to conduct customer identification. This may occur on account opening, during the course of the customer relationship and/or upon withdrawal of funds. In order for Ausmaq to comply with its obligations, Morgan Stanley Wealth Management will carry out the identification and verification process required under the AML/CTF Law on Ausmaq's behalf. You will be asked to provide copies of appropriate documentation to verify your identity and the identity of any authorised signatories. Ausmaq may also need to collect additional identification information and verification documentation from you before you can be registered on the Managed Funds Portfolio Service or if you change your details.

Ausmaq will not be liable to you if Ausmaq delays or refuses any transaction or request by you due to any AML/CTF Law requirement.

Confidentiality and Privacy

The privacy of your personal information is important to Ausmaq.

COLLECTING YOUR PERSONAL INFORMATION

If you have applied or are applying to be registered on the Managed Funds Portfolio Service, Ausmaq will collect your personal information for the purposes of providing you with the Managed Funds Portfolio Service. You also authorise Morgan Stanley Wealth Management, as your agent, to provide Ausmaq with your personal information, for the purposes of providing you with the Managed Funds Portfolio Service. We only do this if it is

necessary to do so. Instances of when we may need to include where:

- we cannot get a hold of you and we rely on publicly available information to update your contact details;
- at your request, we exchange information with your legal or financial advisers or other representatives.

If Ausmaq does not obtain the information that Ausmaq seeks Ausmaq may not be able to:

- process your instructions;
- verify your identity or protect against fraud; or
- manage or administer the Managed Funds Portfolio Service on your behalf.

Personal information that Ausmaq will request includes your TFN. The collection of TFNs is authorised and their use and disclosure is strictly regulated by taxation laws and the Privacy Act. Quotation of a TFN is not compulsory but tax may be taken out of your distributions, dividends and interest earned at the highest marginal tax rate plus the Medicare levy if you do not quote your TFN or claim an exemption. By quoting your TFN you authorise Morgan Stanley Wealth Management, Ausmaq and the Portfolio Administrator to apply it for investments acquired by you.

WHEN THE LAW AUTHORISES OR REQUIRES AUSMAQ TO COLLECT INFORMATION

We may collect information about you because we are required or authorised by law to collect it. There are laws that affect financial institutions, including company and tax law, which require us to collect personal information. For example, we require personal information to verify your identity under AML/CTF Law.

USING YOUR PERSONAL INFORMATION

Ausmaq may use your information to provide you with the Managed Funds Portfolio Service, and for other purposes including:

- considering whether you are eligible for the Managed Funds Portfolio Service;
- Administering the Managed Funds Portfolio Service we provide to you,

which includes answering your requests and complaints;

- identifying you or verifying your authority to act on behalf of a customer;
- allowing Ausmaq to run the Ausmaq business and perform administrative and operational tasks, such as:
 - training staff;
 - risk management;
 - systems development and testing;
 - undertaking planning, research and statistical analysis;
- preventing or investigating any fraud or crime, or any suspected fraud or crime;
- as required by law, regulation or codes binding Ausmaq; and
- for any purpose for which you have given your consent.

DISCLOSING YOUR PERSONAL INFORMATION

Ausmaq may disclose your personal information:

- to Morgan Stanley Wealth Management and their service providers.
- to Ausmaq's related companies, affiliates and associates;
- to other companies or individuals who assist Ausmaq in providing, managing or administering the products and services that Ausmaq offer, or who perform functions on Ausmaq's behalf, including third-party suppliers (e.g. printers and posting services), other Clearstream S.A. companies and advisers (including Ausmaq's auditors or lawyers and other external advisers);
- to other companies or individuals involved in maintaining, reviewing and developing Ausmaq's products/services, business systems, procedures and infrastructure including testing or upgrading our computer systems;
- to those involved in a corporate re-organisation or involved in a transfer of all or part of Ausmaq's assets or business.
- to those involved in the payments system including financial institutions, merchants and payment organisations.
- for the purpose of notifying you of other products and services by companies in the Clearstream S.A.

(though only with the knowledge and consent of Morgan Stanley Wealth Management);

- to government or regulatory bodies (including ASIC and the Australian Tax Office) as required or authorised by law (in some instances these bodies may share it with relevant foreign authorities); and
- where you have given your consent.

Where your personal information is disclosed Ausmaq will seek to ensure that the information is held, used or disclosed consistently with the Privacy Act and other applicable privacy laws and codes.

Ausmaq will only act on instructions received from you or through Morgan Stanley Wealth Management about your Managed Funds Portfolio Service account. Ausmaq will not take instructions from, or supply information to, a third party except as provided for in this Guide.

GAINING ACCESS TO OR CORRECTING YOUR PERSONAL INFORMATION

You can ask Ausmaq to access or correct information that Ausmaq holds about you. If you wish to access or correct your personal information, you can do so by contacting Ausmaq - please refer to the "How to Contact Ausmaq" section below.

PRIVACY COMPLAINTS

If you wish to make a complaint about a privacy issue, you can do so by contacting Ausmaq - please refer to the "How to Contact Ausmaq" section below. You can find out how Ausmaq will deal with these complaints, by reading the Privacy Policy at www.ausmaq.com.au/privacy or by calling 1800 069 456 and asking for a copy of the Privacy Policy.

PRIVACY POLICY

Ausmaq is a member of Clearstream S.A. and has a Privacy Policy. For a copy of the Privacy Policy go to Ausmaq's website: www.ausmaq.com.au/privacy

If you have any questions regarding the Privacy Policy or how your personal information is treated please contact Ausmaq.

How to Contact Ausmaq

For any enquiries concerning your investments, you should always contact Morgan Stanley Wealth Management in the first instance.

You can contact Ausmaq at:

Ausmaq Limited
PO Box N774
Grosvenor Place NSW 1220

Telephone: 1800 069 456

Email: info@ausmaq.com.au

Website: www.ausmaq.com.au

Complaints

You have the right to enquire into or complain about the operation of the Managed Funds Portfolio Service to Morgan Stanley Wealth Management or to Ausmaq. Ausmaq has established procedures to ensure that all enquiries and complaints are properly considered and dealt with. If you have an enquiry or complaint, and Morgan Stanley Wealth Management is unable to assist you, contact Ausmaq and tell Ausmaq about your enquiry or complaint. Ausmaq will aim to resolve your complaint to your satisfaction, or at least give you an initial response, within 24 hours of having received your complaint. If your complaint cannot be resolved within 24 hours, Ausmaq will aim to respond to you within 14 days. If your complaint cannot be resolved to your satisfaction within 45 days, you have the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution body approved by ASIC.

You can contact AFCA at:

Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001

Telephone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

Glossary

ABN	means Australian business number.	Managed Funds Portfolio Service	means the IDPS described in Part 2 of this Investor Brochure, operated by Ausmaq and made available to you by arrangement with Morgan Stanley Wealth Management in conjunction with Portfolio Wrap.
AEST	means Australian Eastern Standard Time.	Morgan Stanley Wealth Management	means Morgan Stanley Wealth Management Australia Pty Ltd (ABN 19 009 145 555), and unless the context otherwise requires, includes its related bodies corporate and its representatives (as those terms are defined in the Corporations Act 2001 (Cth) as amended from time to time).
AFCA	means Australian Financial Complaints Authority	PDS	means product disclosure statement as defined in the Corporations Act.
AFSL	means Australian Financial Services Licence issued by ASIC.	Portfolio Administration Service	means those services provided by the Portfolio Administrator as specified in clauses 5.2 and 6.
AML/CTF Law	means the <i>Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)</i> , the associated regulations and the <i>Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1)</i> as amended from time to time.	Portfolio Administrator	means Cavendish Administration Pty Ltd (ABN 97 080 366 829) or such other portfolio administrator appointed by Morgan Stanley Wealth Management from time to time. Portfolio Wrap means the Services provided by Morgan Stanley Wealth Management to a Client and if selected, may include the Portfolio Administration Services provided to a Client, in accordance with the Terms.
Application Form	means the application form attached to or accompanying this Portfolio Wrap Investor Brochure.	Portfolio Wrap	account means any account through which the Client's Investments are monitored by Morgan Stanley Wealth Management and which is governed by these Terms.
ASIC	means Australian Securities and Investments Commission.	Privacy Act	means the <i>Privacy Act 1988 (Cth)</i> as amended from time to time.
Ausmaq	means Ausmaq Limited (ABN 53 062 527 575, AFSL 230684) and its successors and assigns.	Product List	is the list of managed funds that Morgan Stanley Wealth Management makes available to investors through the IDPS.
Ausmaq Agreement	means the terms in the Application Form, Guide and IDPS Contract upon which you agree to use the Managed Funds Portfolio Service.	RITC	means reduced input tax credit.
Business Day	means a day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and a day that the ASX declares is not a business day.	Sub-Custodian	means a nominee or sub-custodian appointed by Ausmaq from time to time, including The Trust Company (PTAL) Limited.
Cash Account	means any one of the following cash management accounts opened by a Client which is linked to the Portfolio Wrap service: (a) a Macquarie Cash Management Account; or (b) an ANZ V2 Cash Management Account.	TFN	means Australian tax file number.
Clearstream S.A.	means Clearstream Banking Societe Anonyme, is an international central securities depository (ICSD) headquartered in Luxembourg, Clearstream S.A., which is part of Deutsche Börse Group, incorporated in Luxembourg.	Transaction Trust Account	means a bank account with an Australian authorised deposit taking institution designated as a trust account and used by Ausmaq to settle managed funds transactions.
Corporations Act	means the Corporations Act 2001 (Cth) as amended from time to time.	You (or you)	means a client of Portfolio Wrap using the Managed Funds Portfolio Service through Bow Lane Nominees Pty Ltd (ABN 94 005 734 145) or any other nominee of Morgan Stanley Wealth Management as appointed from time to time. Details of the arrangement are outlined in the Nominee Agreement located in Part 4 of this Investor Brochure.
Guide	means the Managed Funds Portfolio Service Financial Services Guide and IDPS Guide set out in Part 2 of this Investor Brochure.		
ICR	means Indirect Cost Ratio.		
IDPS	means Investor Directed Portfolio Service and is an administration service through which you can buy and sell a portfolio of investments in managed funds that you select.		
IDPS Contract	means the contract between you and Ausmaq under which Ausmaq's IDPS services are provided to you, as amended from time to time. A copy of this document is available upon request free of charge.		

Part 3

Terms and Conditions

These Terms and Conditions apply if you agree to use Portfolio Wrap. If you agree to use the Managed Funds Portfolio Service, the terms applicable to that service are set out in Part 2 (The Managed Funds Portfolio Service Financial Services Guide and IDPS Guide) of this Investor Brochure. You are advised to read these Terms and Conditions carefully before applying to use Portfolio Wrap and to keep them in a safe place for future reference.

1. DEFINITIONS AND INTERPRETATION

1.1 In these Terms and Conditions:

Additional User means a person appointed in writing by the Client to have read-only internet access to Portfolio Wrap reporting for your Portfolio Wrap account.

Applicable Laws means any:

(a) statute, ordinance, code or other law including regulations and other instruments under them; and

(b) code of practice, guideline or standard issued by relevant regulators or industry bodies, whether or not having the force of law, applicable to these Terms and Conditions and any obligations to be performed under these Terms and Conditions, including, without limitation, the *Corporations Act 2001* (Cth) (“Corporations Act”), the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* and *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (No. 1)* (“collectively AML/CTF Act and Rules”) and the *Privacy Act 1988*, as amended from time to time.

Applicant, Client, or You means the person(s)/legal entity named in the Application Form as the client. It includes and where the content permits, an Authorised Person and any other person authorised to operate and provide instructions (however broad or limited the authorisation may be) in relation to the account. If there are more than one, you means each of them separately and every two or more of them jointly and includes your successors and assigns.

Application Form means the application form attached to or accompanying this Portfolio Wrap Investor Brochure.

Approved Market Operator means an entity that is licensed under s795B(1) of the Corporations Act to operate a Market.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange Limited (ABN 98 008 624 691).

ASX Clear means ASX Clear Pty Ltd (ABN 48 001 314 503), which provides clearing services in relation to products traded on the ASX.

ASX Group means any or all of ASX Clear, ASX Settlement and the ASX.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532), which provides settlement services in relation to products traded on the ASX.

Authorised Agent means any persons nominated as being authorised to deal on the Account.

Authorised Person means a person authorised by you in accordance with clause 4.

BBSW means Australian Bank Bill Reference Rate as stated on Reuters page “BBSW” at approximately 10.10am (Sydney time) on each Business Day.

Business Day means a day other than a Saturday, Sunday New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and a day that the ASX declares is not a business day.

Cash Account means any one of the following cash management accounts opened by a Client which is linked to the Portfolio Wrap service:

- (a) a Macquarie Cash Management Account; or
- (b) an ANZ V2 Cash Management Account.

Claim means a claim, notice, action, proceeding or demand made against the Indemnified Person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent, direct or indirect.

Clear Operating Rules means the ASX Clear Operating Rules.

Client's Investments means those assets which qualify as Eligible Assets for the purposes of the Portfolio Wrap Service.

Confidential Information includes but is not limited to:

- (a) information relating to the content, concept, design, listing, specification, algorithms of Portfolio Wrap, the Software including, without limitation, object and source codes, charts, diagrams, models and prototypes;
- (b) information relating to the personnel, customers, suppliers, policies and business strategies of Morgan Stanley Wealth Management and the Portfolio Wrap Administrator; and
- (c) materials marked proprietary or confidential.

DDCR Service Agreement means the direct debit and credit request service agreement contained in Schedule 2 to these Terms and Conditions.

Direct Debit Request means the direct debit and credit request authorisation you provide in the Application Form or other valid written instruction to Morgan Stanley Wealth Management.

Eligible Assets means those assets which are identified by Morgan Stanley Wealth Management as being eligible to be held within the Portfolio Wrap service, including, but not limited to, financial products traded on a Market held within the Client's Investment Account, financial products held pursuant to the Morgan Stanley Wealth Management margin lending service, exchange traded options, cash (if any) and assets held within the Wholesale Managed Funds Service and such other assets which Morgan Stanley Wealth Management may deem to be included from time to time. Morgan Stanley Wealth Management may at its absolute discretion remove from, or add to, any of the classes of assets which it has identified as Eligible Assets without the need to give any prior notice to the Client.

Fees means the fees calculated in respect of the Services and, where applicable, the Portfolio Administration Service, as set out in Schedule 1 to these Terms and Conditions, as amended and notified to you by Morgan Stanley Wealth Management from time to time.

Financial Adviser means the Morgan Stanley Wealth Management representative (as that term is defined in the Corporations Act) who facilitates the provision of the Services to a Client on behalf of Morgan Stanley Wealth Management, from time to time.

Financial Product has the meaning given to that term in Division 3 of Part 7.1 of the Corporations Act.

Intellectual Property includes, without limitation, any right arising from or capable of arising from the *Copyright Act 1968*; the *Designs Act 1906*; the *Patents Act 1990*; the *Trade Marks Act 1995*; and similar legislation outside of the Commonwealth of Australia, any similar unregistered right, and Confidential Information.

Investment Account means a listed security trading account established by the Client with Morgan Stanley Wealth Management.

Loss means any damage, loss, cost, fees, expense (including legal or administrative fees howsoever arising) or liability incurred by the Indemnified Person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent, direct or indirect.

Margin Lending Agreement means the terms and conditions of Morgan Stanley Wealth Management's Margin Lending facility agreement entered into between the Client and Morgan Stanley Wealth Management regarding the provision, by Morgan Stanley Wealth Management, of the margin lending facility

Market means the market operated by the ASX, or any other Approved Market Operator

Market Integrity Rules means the ASIC Market Integrity Rules.

Ongoing Fee Arrangement means the arrangement set out in section 962A of the Corporations Act.

Personal Property Securities Register Registration Fee means the government fee payable when a security interest (as defined in the PPSA) is registered or the registration is amended.

Portfolio Administration Service means those services provided by the Portfolio Administrator as specified in clauses 5.2 and 6.

Portfolio Administrator means Cavendish Administration Pty Ltd (ABN 97 080 366 829) or such other portfolio administrator appointed by Morgan Stanley Wealth Management from time to time. Portfolio Wrap means the Services provided by Morgan Stanley Wealth Management to a Client and if selected, may include the Portfolio Administration Services provided to a Client, in accordance with the Terms and Conditions.

Portfolio Wrap account means any account through which the Client's Investments are monitored by Morgan Stanley Wealth Management and which is governed by these Terms and Conditions.

Portfolio Wrap Administrator means Praemium Pty Ltd (ABN 74 098 405 826) or such other administrator appointed by Morgan Stanley Wealth Management from time to time.

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPS Law means:

- (a) the PPSA;
- (b) any regulations made at any time under the PPSA;
- (c) any provision of the PPSA or regulations referred to in (b) above;
- (d) any amendment to any of the above, made at any time; or
- (e) any amendment made at any time to the Corporations Act or any other legislation in connection with the implementation or as a consequence of the PPSA.

Quarterly Investment Report means a report provided to a Client on a quarterly basis online via www.morganstanley.com.au (or in a form as determined and notified to you from time to time by Morgan Stanley Wealth Management).

Rules means the Market Integrity Rules, Settlement Operating Rules and Clear Operating Rules and other rules of an Approved Market Operator, as amended from time to time.

Security Interest means:

- (a) a security interest that is subject to the PPSA;
- (b) any other mortgage, pledge, charge, lien, trust or power; or
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

Services means the services specified in clause 5.1.

Settlement Operating Rules means the ASX Settlement Operating Rules.

Software means the web-based service operated by and proprietary to the Portfolio Wrap Administrator that facilitates the recording of a Client's Investments and provision of information and reporting through Portfolio Wrap.

Terms and Conditions means these terms and conditions contained in this Part 3 of the Investor Brochure.

Wholesale Managed Funds Services means managed funds maintained in the Managed Funds Portfolio Service administered by Ausmaq Limited ABN 53 062 527 575 and also badged as the Morgan Stanley Wealth Management Portfolio Wrap.

1.2 In these Terms and Conditions:

- (a) Unless the context indicates a contrary intention:
 - (i) words expressed in the singular include the plural and vice versa and a gender includes other genders;
 - (ii) where a word or phrase is defined in these Terms and Conditions, other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
 - (iii) the word "person" includes a company, partnership, joint venture, association, corporation or other body corporate and any governmental agency;
 - (iv) a reference to any statute, rule or other law, or to any sections or provisions thereof includes any statutory modification or re-enactment or any statutory provision substituted therefore and all ordinances, by-laws, regulations and other statutory documents issued thereunder;
 - (v) a reference to a document, deed or agreement includes an amendment or supplement to, or replacement or novation of, that document;
 - (vi) a reference to anything (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them;
 - (vii) a monetary amount means that amount in Australian currency;
 - (viii) a reference to a party to a document includes that party's successors and permitted assigns;

- (ix) a reference to a month is a reference to a calendar month; and

- (x) headings are inserted for convenience only and do not affect the interpretation of these Terms and Conditions.

(b) Unless otherwise defined or specified in these Terms and Conditions, words and expressions defined in the Corporations Act, Rules, procedures, appendices and schedules have the same meaning as in these Terms and Conditions. In the event of any inconsistency, the definitions in these Terms and Conditions prevail;

(c) Each schedule and appendix of these Terms and Conditions forms part of these Terms and Conditions.

2. APPLICATION AND ACCEPTANCE

2.1 An Applicant may make an offer to Morgan Stanley Wealth Management to use the Services in accordance with these Terms and Conditions if the Applicant:

- (a) nominates or opens a Cash Account; and
- (b) completes and returns to Morgan Stanley Wealth Management a valid Application Form.

2.2 By signing the Application Form and lodging it with a broker, financial adviser, financial planner, distributor, or Morgan Stanley Wealth Management, as the case may be, the Applicant agrees to be bound by the Terms and Conditions.

2.3 Morgan Stanley Wealth Management, in its absolute discretion, may decide whether or not to accept an Application Form and it will not be obliged to provide an Applicant with reasons for its decision.

2.4 The Applicant must deposit the Investment Amount as either cleared funds into the Cash Account or as Eligible Assets lodged with Morgan Stanley Wealth Management.

2.5 Funds deposited by an Applicant into a Cash Account for the purpose of accessing Portfolio Wrap services will only be available for withdrawal in accordance with these Terms and Conditions.

3. WARRANTIES AND REPRESENTATIONS

3.1 All representations and warranties made by the Client under these Terms and Conditions are taken to be made on the date on which the Application Form was signed and repeated continuously on each date upon which a Service or Portfolio Administration Services are performed.

3.2 You warrant and represent that:

- (a) if you are a body corporate, you are duly incorporated and validly existing under the laws of the jurisdiction of your incorporation;
- (b) if you are a trustee, you warrant that you have full power and authority to enter into these arrangements and to exercise the rights and perform the obligations under these Terms and Conditions;
- (c) if you are individual, you are over 18 years of age;
- (d) you have the authority and power to execute, deliver and to perform your obligations under these Terms and Conditions;
- (e) the Terms and Conditions constitute valid and binding obligations on you, enforceable in accordance with the provisions set out in these Terms and Conditions;

(f) the execution, delivery and performance of these Terms and Conditions does not violate any existing law or regulation or any document or agreement to which you are a party or which is binding on you or any of your assets;

(g) all authorisations required in order for you to conduct your business and relevant to the execution, delivery, performance, validity or enforceability of these Terms and Conditions have been obtained or effected and are in full force and effect;

(h) you will not use Portfolio Wrap:

(i) for any purpose other than managing your own investments;

(ii) to provide a service to anyone else;

(iii) to earn any other benefit or gain other than in accordance with your representation and warranty in sub-clause (i) above;

(iv) to provide a bureau service;

(v) as part of any business or undertaking except to the extent that such business or undertaking is not inconsistent with your representation and warranty in sub-clause (i) above;

(vi) to compile tables, records or a database of information about the share market generally.

(i) you have not and will not assign, charge, declare a trust over or otherwise grant a security over the cash in your Cash Account (or any other bank account nominated by you), your Investment Account, the Client's Investments, the Eligible Assets or any other financial product;

(j) you undertake that you will not create or allow a third party or any other agent (if applicable) to agree to an assignment, charge, declaration of trust over or otherwise grant a security over the cash in your Cash Account (or any other bank account nominated by you), your Investment Account, the Client's Investments, the Eligible Assets or any other financial product;

(k) you are at all times able to meet all of the Fees and costs incurred in relation to Morgan Stanley Wealth Management providing Services to you in accordance with these Terms and Conditions;

(l) you will at all times provide Morgan Stanley Wealth Management with current contact details including an email address, during your dealings with us, and you acknowledge that all confirmations of executed orders will be sent via a hard copy contract note/confirmation or by electronic means in accordance with clause 11. In the event that your contact details are not current, including postal address, email address or facsimile number, we reserve the right to suspend all dealings on your Investment Account and any cash facility linked to your Investment Account;

(m) you have entered into these Terms and Conditions as principal and not otherwise; and

(n) you are solvent.

4. AUTHORISED PERSONS AND THIRD PARTY ACCESS

4.1 You may appoint, in writing, a person as an Authorised Person to act on your behalf. You must provide in writing to Morgan Stanley Wealth Management, the name, address and a specimen signature of such person.

4.2 You may appoint an Additional User in writing to have read-only internet access to Portfolio Wrap reporting for your Portfolio Wrap account.

4.3 The authority of an Authorised Person or Additional User to deal with Morgan Stanley Wealth Management in respect of the Portfolio Wrap may be withdrawn by the Client by notice in writing to Morgan Stanley Wealth Management. This notice will not be effective until Morgan Stanley Wealth Management has received the notice in accordance with clause 22.

4.4 Morgan Stanley Wealth Management is entitled to assume:

(a) the genuineness and authenticity of any instruction given or purportedly given by or on behalf of the Client; and

(b) that if the Client has not given written notice to Morgan Stanley Wealth Management revoking the authority of a person to act on the Client's behalf then that person is presumed to be an Authorised Person or an Additional User under these Terms and Conditions. The Client will be bound by these Terms and Conditions for the acts, omissions and instructions of the Authorised Person and the Authorised User.

4.5 The Client agrees and acknowledges that Morgan Stanley Wealth Management:

(a) may act upon any instructions reasonably believed by Morgan Stanley Wealth Management to be genuine in accordance with the terms of this clause 4; and

(b) will not be obliged to make any enquiries into any of the matters referred to in sub-clauses 4.3, 4.4 and 4.5.

5. MORGAN STANLEY WEALTH MANAGEMENT SERVICES

5.1 Morgan Stanley Wealth Management will provide the following services to the client in respect of the Client's Investments:

(a) assess the Client's current situation, risk profile and objectives and tailor appropriate investment recommendations;

(b) arrange for the Client's Investments to be recorded through Portfolio Wrap by means of the Software;

(c) provide Quarterly Investment Reports and an annual taxation report in respect of a Client's Investments; and

(d) facilitate Client website access to the Client's portfolio of Client Investments, provided the Client is running either Internet Explorer Versions which are currently part of Microsoft Mainstream support or any subsequent later version as notified to the Client from time to time.

5.2 If a Client also selects the Portfolio Administration Service then the Portfolio Administrator will provide the following additional services to the Client:

(a) receiving and handling all correspondence relating to the Client's Investments;

(b) collecting and banking all dividends and other income in the Client's Cash Account;

(c) managing all corporate actions in accordance with the Client's instructions, including but not limited to rights issues, take over bids, dividend reinvestment and dividend bonus plans;

(d) retaining copies of corporate actions in relation to the Client's Investments; and

(e) arrange for the Client's Cash Account details to be lodged with participating share registries to allow for the direct credit of the Client's dividend payments.

6. PORTFOLIO WRAP ADMINISTRATOR SERVICES

6.1 The Portfolio Wrap Administrator will provide the following services to the Client in respect of the Client's Investments recorded by means of the Software:

- (a) access to the Software using a password;
- (b) a record of Eligible Assets that the Client acquires and disposes of;
- (c) performance of any calculations that the Software is able to perform from time to time;
- (d) creation and print outs of any report that the Software is able to create from time to time; and
- (e) use of any other functionality that the Portfolio Wrap Administrator may add to the Software from time to time, provided that the Client will access and use the Software strictly in accordance with these Terms and Conditions and only by means of the internet, provided that the Client complies with the requirements of clause 5.1(d).

7. CLIENT OBLIGATIONS

7.1 The Client must for the duration of its participation in Portfolio Wrap:

- (a) pay the Fees in accordance with the current Portfolio Wrap Fee Schedule;
- (b) maintain one or multiple (in the case of a household account) Cash Account/s;
- (c) maintain an Investment Account with Morgan Stanley Wealth Management; and
- (d) be a party to a CHESS Sponsorship Agreement with Morgan Stanley Wealth Management.

8. INVESTMENT NEEDS AND FINANCIAL POSITION

8.1 When you disclose your investment objectives, financial situation and particular needs (your "relevant personal circumstances") to us, you do so to assist us to provide personal advice or make recommendations suitable to your investment objectives, personal circumstances, financial situation and needs ("Personal Advice"). You agree to promptly notify us in writing of any changes to your relevant personal circumstances. You warrant that any information that you provide to us is true and correct.

8.2 You acknowledge and agree that:

- (a) full disclosure of your relevant personal circumstances will or has been requested by us;
- (b) if you do not give all the details requested by us in relation to your relevant personal circumstances, or fail to promptly notify us of changes in relation to your relevant personal circumstances then:
 - (i) we can only give you limited advice which may not suit you. Limited advice may be based on incomplete or inaccurate information relating to your personal circumstances and because of this, you should, before acting on the advice, consider the appropriateness of the advice having regard to your relevant personal circumstances;

- (ii) this may impair your rights under the Corporations Act; and

- (iii) you undertake as primary obligor all obligations with respect to the execution of any order; and

- (c) if you do not provide us with your relevant personal circumstances, you acknowledge and agree that we will only provide you with general advice, meaning that we have not taken into account any of your individual characteristics or needs. When we provide general advice, you must consider the appropriateness of the advice, having regard to your objectives, financial situation and needs and you must read the relevant disclosure document or Product Disclosure Statement in full and consider it before making any decision. Further, you should make your own decision on whether the Financial Product suits your needs.

9. CLIENT ACKNOWLEDGEMENTS

You, the Client, agree and acknowledge that:

9.1 A Portfolio Wrap account may record assets other than the Client's Investments. In addition, you agree and acknowledge that in respect of such assets, Morgan Stanley Wealth Management will rely upon you to notify Morgan Stanley Wealth Management of the quantity and value of those assets including subsequent valuations. Morgan Stanley Wealth Management will not have any responsibility for the management of any assets which are not part of the Client's Investments.

9.2 You acknowledge that Morgan Stanley Wealth Management will only be required to comply with your instructions in respect of any corporate action where:

- (a) your instructions are received by Morgan Stanley Wealth Management or the Portfolio Administrator by the date nominated in the notification in respect of that corporate action. In the event that a Client's instructions are not received by the date nominated, then the Client acknowledges that it will be taken to have instructed Morgan Stanley Wealth Management to allow any entitlement to lapse; and

- (b) you have sufficient cleared funds in your Cash Account to participate in the corporate action.

9.3 Portfolio Wrap may be offered to a Client directly by Morgan Stanley Wealth Management, or through a third party intermediary. You agree and acknowledge that a third party intermediary may receive a share of the Fees paid by you in respect of Portfolio Wrap.

9.4 Taxation reports and Client website access for Portfolio Wrap is provided by the Portfolio Wrap Administrator. You authorise us to provide your personal information and transaction data to service providers in order for them to discharge their obligations under Portfolio Wrap. Morgan Stanley Wealth Management may at its absolute discretion outsource services provided under Portfolio Wrap and may change service providers without the need to notify you or secure your acceptance of the change.

9.5 Morgan Stanley Wealth Management relies on information provided by you and Morgan Stanley Wealth Management is not obliged to confirm the validity of the information provided to it in respect of the Client's Investments.

9.6 Morgan Stanley Wealth Management may vary, add or delete classes of securities or other assets from those assets defined as Eligible Assets by written notice to you. Any such addition or deletion will not affect the calculation of Fees payable by you in accordance with clause 15, but will be effective for the immediately succeeding payment period.

9.7 You agree and acknowledge that investment decisions may have taxation consequences. You further acknowledge that Morgan Stanley Wealth Management does not provide taxation advice and that you have been advised by Morgan Stanley Wealth Management that you should seek professional taxation and financial advice prior to making any decisions in respect of the Client's Investments.

9.8 All correspondence in respect of the Client's Investments will be directed to the Portfolio Administrator should you select the Portfolio Administration Service. The Portfolio Administrator will use reasonable endeavors to communicate to you through the financial adviser the existence of any offer or invitation made to you in your capacity as an investor (including takeovers, rights or entitlement offers, share acquisition offers and discount cards) but received by the Portfolio Administrator on the Client's behalf. The Portfolio Administrator may choose not to communicate certain promotional offers or invitations to you at its sole discretion.

9.9 The Portfolio Administrator is not obliged to retain, forward to you or act, in relation to any reports, forms of proxy, notices of meetings or other material, letters, notices, or announcements received by it in relation to the Client's Investments.

9.10 Morgan Stanley Wealth Management will not forward to you originals or copies of dividend notices, tax statements or statements from cash management or margin lending providers in relation to the Client's Investments because all information contained in such notices and statements will be provided in each respective Quarterly Investment Report.

9.11 In relation to transactions undertaken in respect of any financial product that is listed on a Market, a confirmation will be provided to you in accordance with the Market Integrity Rules and in respect of all other Eligible Assets, Morgan Stanley Wealth Management will provide a transaction confirmation to you, except in respect of a distribution advice, details of which, will be included in each appropriate Quarterly Investment Report.

9.12 Neither the Portfolio Wrap Administrator nor the Portfolio Administrator take into account the relevant personal circumstances of a Client. The Client should consider their relevant personal circumstances in consultation with a financial adviser.

9.13 The Portfolio Wrap Administrator may add additional functionality to the Software, change the layout of the Software, the methods for entering data or the nature or format of reports that can be generated from the Software provided that these changes do not result in any reduction to the nature of the Services contemplated by these Terms and Conditions.

9.14 The provision of Portfolio Wrap relies on information about corporate actions such as bonus issues, reconstructions and dividends provided by third parties and therefore neither Morgan Stanley Wealth Management nor the Portfolio Wrap Administrator warrant the accuracy of such corporate actions.

10. CONFIDENTIALITY

10.1 The Client undertakes to ensure that:

- (a) all Confidential Information is kept confidential.
- (b) the Client does not directly or indirectly disclose any Confidential Information to any third party.
- (c) all necessary precautions to prevent any disclosure of Confidential Information to unauthorised third parties and must inform Morgan Stanley Wealth Management of any suspected or actual disclosure of Confidential Information which is in contravention of these Terms and Conditions.

10.2 The Portfolio Wrap Administrator remains the sole owner of the Intellectual Property in the Software.

10.3 The Client agrees not to assert its moral rights in relation to any modification or enhancements to the Software, even if the modifications or enhancements are made at the request or suggestion of the Client.

10.4 Notwithstanding sub-clauses 10.1 to 10.3, the Client must not disclose these Terms and Conditions to any person except:

- (a) to an Authorised Person or an Additional User;
- (b) to any professional or other adviser consulted by it in relation to any of its rights or obligations under these Terms and Conditions;
- (c) in connection with the enforcement of its rights under these Terms and Conditions;
- (d) to any of its affiliates, agents or other authorised representatives where the disclosure is made on the basis that the recipient of the information will comply with this clause 10 in the same way that the Client is required to comply;
- (e) where the information is already in the public domain, or where the disclosure would not otherwise breach any duty of confidentiality;
- (f) if required by law in Australia or elsewhere; to any state, national or international regulatory, enforcement, exchange body or court anywhere in the world as required or allowed by applicable law or regulation anywhere in the world or at such person's request; or
- (g) to any other person as required or allowed by applicable law or regulation anywhere in the world; or
- (h) otherwise with the prior written consent of the non-disclosing party.

10.5 The Client will ensure that before disclosing any Confidential Information to Authorised Persons or an Additional User, it will inform them of the confidential nature of that information and will direct them to keep such information confidential. The Client must procure and ensure that any Authorised Person or Additional User to whom Confidential Information is disclosed complies fully with the confidentiality undertaking given by the Client.

10.6 The Client accepts full responsibility and liability for any breach of this clause 10 by any person including but not limited to any Authorised Person or Additional User.

11. ELECTRONIC CONFIRMATION AND DISCLOSURES

11.1 You agree, acknowledge and consent to receiving:

- (a) confirmation of any transaction electronically to your email address rather than by post if you have provided us with an email address;

(b) any other documents (including but not limited to disclosure documents), notices and correspondence that we or an affiliate are required to provide to you under the Corporations Act or the Rules, (collectively, “Prescribed Documents”), either:

- (i) electronically to an email address you have provided to us, in which case we will also have the right to provide a hyperlink to the Disclosure Document in lieu of an electronic copy; or
- (ii) by written (paper or electronic) notice with a reference to the relevant website or hyperlink, to access the Prescribed Documents.

11.2 You acknowledge that it is your responsibility to promptly advise us of any change to your email address and ensure that your email is at all times operational and available for receipt of electronic communication (including but not limited to electronic confirmation statements and Prescribed Documents).

11.3 Notwithstanding any other provision, you agree that we may at any time:

- (a) issue a paper-based confirmation statement in lieu of electronic confirmation statements by email;
- (b) issue a further confirmation statement if the previous ones contained any errors or omissions, and in this event, the further confirmation statement shall supersede the previous ones in all respects.

12. ELECTRONIC COMMUNICATIONS

12.1 You acknowledge that communications that we send to you by way of email or other electronic means, including any attached documents, (together, “electronic communications”) will not be encrypted. We do not guarantee that electronic communications that we send will be secure, error free or virus free. We reserve the right to monitor all electronic communications.

13. INSTRUCTIONS

13.1 We will use our reasonable endeavors to give effect to your instructions, but we will not be responsible for failure to give effect to, or for delays or errors in giving effect to, your instructions. We are entitled to rely on any document or communication which we reasonably believe to be a notification or an oral communication without further enquiry. We will not be responsible for confirming the receipt of instructions or verifying the authenticity of your instructions. You acknowledge and agree that Morgan Stanley Wealth Management may in its absolute discretion refuse to accept instructions by way of email or other electronic means.

13.2 You also acknowledge that email transmissions may be incomplete or delayed and Morgan Stanley Wealth Management takes no responsibility for any errors or delays suffered as a result of sending email instructions.

13.3 If you provide instructions by way of email or other electronic means, you agree to release Morgan Stanley Wealth Management and its related companies from, and indemnify them against, all Losses and liabilities arising from any payment made, action taken or failure to act by Morgan Stanley Wealth Management based on any instruction (even if not genuine) that is received from any email or other electronic address, which you have identified to Morgan Stanley Wealth Management as belonging to you or an Authorised Person.

13.4 You also agree that neither you nor anyone claiming through you has any claim against Morgan Stanley Wealth Management and its related companies in relation to these payments, actions or failures.

14. PERSONAL PROPERTY SECURITIES (PPS) ACT

14.1 Where transactions under these Terms and Conditions may give rise to a Security Interest, the following clauses are intended to protect any interest that Morgan Stanley Wealth Management (or its nominee), as the secured party with a Security Interest, has in:

- (a) the financial products;
- (b) the cash that may be held by Morgan Stanley Wealth Management (or its nominee) in a deposit account, a Cash Account or any other account (“ADI Account”) with an Authorised Depositing Institution (“ADI”);
- (c) the collateral;
- (d) the agreed approved security, (collectively, the “Security Assets”).

14.2 Where cash or collateral is held by Morgan Stanley Wealth Management (or its nominee) in an ADI Account with an ADI, you agree that, at all times until the of termination these Terms and Conditions, when sums are due to Morgan Stanley Wealth Management (or its nominee), it may direct disposition of funds from the ADI Account without reference to you, the third party and any of your authorised agents (collectively, “Authorised Agents”);

14.3 You acknowledge and agree that at all times until the termination of these Terms and Conditions:

- (a) Morgan Stanley Wealth Management (or its nominee), as the secured party with a Security Interest over Secured Assets may initiate or control sending instructions in relation to the transfer of, or other dealings relating to the Secured Assets;
- (b) to the extent that Morgan Stanley Wealth Management (or its nominee) has a Security Interest in any of the Security Assets, you must do anything (including executing any document, obtaining any consent or agreement or giving any notice) that Morgan Stanley Wealth Management (or its nominee) requires to enable Morgan Stanley Wealth Management (or its nominee) to perfect and protect any Security Interest provided for by these Terms and Conditions;
- (c) Security Interests arising out of these Terms and Conditions of the transactions contemplated by these Terms and Conditions, are first ranking Security Interests, and if a default under these Terms and Conditions occurs, Morgan Stanley Wealth Management (or its nominee), in addition to any other right that it may have, may severally enforce its Security Interest provided for by these Terms and Conditions;
- (d) Morgan Stanley Wealth Management (or its nominee) may register one or more financing statements in relation to its Security Interest. If permitted by the PPSA, you waive your right under section 157 of the PPSA to receive notice of any verification statement or any related financial change statement;
- (e) to the extent that any affiliate of Morgan Stanley Wealth Management (or its nominee) holds a Security Interest under these Terms and Conditions, it may do so as trustee or agent on behalf of any other affiliate;

(f) none of the provisions of the PPSA specified in paragraphs (a) to (r) inclusive of section 115 of the PPSA will apply in relation to any collateral the subject of a PPSA Security Interest established under or contemplated by these Terms and Conditions, to the extent that this is permitted by the relevant paragraph of section 115 of the PPSA in relation to that provision. For the avoidance of doubt, terms and expressions defined in the PPSA shall have the same meaning when used in these Terms and Conditions;

(g) you will not to disclose information of a kind mentioned in section 275(1) of the PPSA, except in circumstances required by section 275(7)(b) to (e) of the PPSA. You agree that you will only authorise the disclosure of information under section 275(7)(c) or request information under section 275(7)(d), if Morgan Stanley Wealth Management approves such disclosure. Nothing in this clause (g) will prevent any disclosure by Morgan Stanley Wealth Management if it believes such disclosure is necessary to comply with its other obligations under the PPSA.

14.4 If a term used in this clause 14 has a particular meaning in the PPSA, it has the same meaning in this clause.

15. FEES AND CHARGES

15.1 The Client agrees to pay:

(a) the Fees for the provision of the Services and, where applicable, the Portfolio Administration Services;

(b) all statutory fees and charges, stamp duty and other duties and taxes payable in connection with these Terms and Conditions and the provision of the Services and the Portfolio Administration Services;

(c) the Personal Property Securities Register Registration Fee (if applicable);

(d) all Goods and Services Taxes that Morgan Stanley Wealth Management is liable (either directly or indirectly) to pay for any taxable supply under or, in connection with these Terms and Conditions. The additional amount is payable at the same time and in the same manner as the fees payable for the supply to which the additional amount relates;

(e) any transfer fees which are incurred by Morgan Stanley Wealth Management and are charged by Morgan Stanley Wealth Management to the client for an in specie transfer of managed funds into or out of the Portfolio Administration Service.

15.2 In addition to the Fees payable in respect of the Services and, if applicable, the Portfolio Administration Services, the Client acknowledges that it is liable to pay Morgan Stanley Wealth Management the fees and charges payable in respect of those services in accordance with the terms and conditions applicable to those services.

15.3 The Client authorises Morgan Stanley Wealth Management to meet any Fee payable by it in connection with these Terms and Conditions, on or after the due date, by either debiting the Client's Cash Account in accordance with the DDCR Service Agreement and your Direct Debit Request, or undertaking any of the actions outlined in clause 16.

15.4 The Client acknowledges that for the purpose of calculating the Fees, the Eligible Assets listed on an exchange will be valued at the closing traded price on each Business Day of the calendar month and then averaged over the month. Any other investments will be valued

in a manner determined by Morgan Stanley Wealth Management, in its absolute discretion, to reflect estimated fair market value. Such valuation will not constitute a warranty of any kind in respect of the value of any such investment.

16. FAILURE TO PAY FEES

16.1 Without prejudice to Morgan Stanley Wealth Management's rights under the Market Integrity Rules, where:

(a) the Client has insufficient funds in its Cash Account to meet its obligations under these Terms and Conditions; and

(b) Morgan Stanley Wealth Management has made a demand for payment, Morgan Stanley Wealth Management may sell any Eligible Investments to the extent necessary to meet the Client's outstanding obligations, at the Client's risk and expense (which shall include, without limitation, dishonour fees, brokerage, goods and services tax and stamp duty) and apply the proceeds in reduction of the Client's liability to Morgan Stanley Wealth Management. Morgan Stanley Wealth Management will not be responsible for any resulting loss to the Client.

16.2 The Client acknowledges and agrees that Morgan Stanley Wealth Management may:

(a) retain any Eligible Investments or sums due to you pending payment of any sums due to us and to set off sums due to us against amounts that we hold for you in any account. If you fail to make payment to us, we have a general lien over and power to sell any Eligible Investments we or an affiliate hold for you.

(b) charge the Client interest on any Fees which have not been satisfied upon the due date or any other amount due, payable or owing under these Terms and Conditions. The interest will be calculated as the BBSW plus 5% accruing on a daily basis; and

(c) automatically charge all Fees, any taxes and charges that are due and payable, from your funds held within your Cash Account or any other accounts held with Morgan Stanley Wealth Management or any of our affiliates.

17. PASSWORD SECURITY

17.1 The Client agrees and acknowledges that:

(a) it is responsible for the use of any password that has been provided to the Client, an Authorised Person or an Additional User by Morgan Stanley Wealth Management and/or the Portfolio Wrap Administrator, and it is wholly responsible for maintaining the security of any such password;

(b) the Client agrees not to reveal any password to any other person other than an Authorised Person or an Additional User as contemplated by these Terms and Conditions; and

(c) the Client is responsible for any use whatsoever of the password whether or not the Client has authorised that use and the Client further indemnifies Morgan Stanley Wealth Management for any loss or damage suffered, either directly or indirectly, as a result of any such unauthorised use.

18. INTERRUPTIONS

18.1 The Client acknowledges that from time to time, without notice, there may be interruptions to the availability of Portfolio Wrap. The Client acknowledges that neither Morgan Stanley Wealth Management nor the Portfolio Wrap Administrator will be liable for interruptions to the Services, including but not limited to interruptions caused by:

- (a) the need to facilitate reasonable maintenance of the Software;
- (b) problems with the Client's telecommunications software;
- (c) problems with the Client's information service providers; or
- (d) problems with the Client's own hardware or software.

19. VARIATION AND TERMINATION

19.1 Morgan Stanley Wealth Management may at any time make any variation, modification, alternation or deletion of, or addition to the terms of these Terms and Conditions, including but not limited to any changes to the Fees, by giving you 30 days written notice.

19.2 Subject to clause 19.3, where there is an Ongoing Fee Arrangement between you and Morgan Stanley Wealth Management, you may terminate these Terms and Conditions at any time by telling your financial adviser or contacting us at the address shown on the latest statement or report you received from us. In all other instances you may terminate these Terms and Conditions by giving written notice to Morgan Stanley Wealth Management. We may terminate these Terms and Conditions by giving you seven Business Days' notice. Any notice given or demand made will be deemed to have been received on the second Business Day following the posting or transmission of the notice or demand.

19.3 In order to close your Portfolio Wrap account and terminate these Terms and Conditions you will need to sell your investments or transfer them out of Portfolio Wrap. We may either transfer your assets to a third party on your instructions, or transfer the holdings into your own name (if possible). If we do not receive your instructions within 60 days, or if we are unable to transfer the holdings as instructed within 60 days, Morgan Stanley Wealth Management may close your Portfolio Wrap account, and in that case you will be deemed to have instructed us to sell your investments and transfer the proceeds to you. Morgan Stanley Wealth Management is not liable for any losses you incur as a result of any such sales or transfers. If you have investments in illiquid assets, we may not be able to close your Portfolio Wrap account until such time as those assets are able to be transferred or sold, and you will continue to be bound by these Terms and Conditions until your Portfolio Wrap account is closed.

19.4 You acknowledge that:

(a) in the event of termination of these Terms and Conditions, any Fees (including but not limited to the Establishment Fee) which have been paid or are payable up to the effective date of termination, will not be refunded to you; and

(b) termination of these terms does not affect any of your existing obligations or liabilities under these Terms and Conditions.

19.5 The termination of these Terms and Conditions shall be without prejudice to the rights of the parties accrued up to the date of termination.

20. INFORMATION COLLECTION STATEMENT

20.1 Morgan Stanley Wealth Management collects, holds, uses and discloses your information (including your personal information) for various purposes including providing you with financial products and services that help meet your financial needs and objectives, administering and operating those services, carrying out credit and other background checks, marketing products and services to you, exercising and defending its legal rights, complying with its legal and regulatory obligations anywhere in the world, improving,

supporting and enhancing its products and services, internal training, monitoring and other legitimate business purposes.

20.2 Morgan Stanley Wealth Management may disclose your information (including your personal information) to its associated firms, vendors or other persons processing your information on its behalf (e.g. credit reporting agencies). Disclosure to these entities may involve the disclosure of your information outside Australia to countries which do not offer the same level of protection as may be enjoyed in Australia.

20.3 Morgan Stanley Wealth Management's privacy policy ('Privacy Policy') contains further details on its information handling practices and explains in more detail what personal information it collects, methods of collection, purposes of collection, retention, use and disclosure, when it may disclose your personal information, who it discloses your personal information to, the countries it may disclose your personal information to and how you may opt out from receiving marketing information. The Privacy Policy also explains your rights including how you may access and request correction of your personal information or complain about a breach of the Australian Privacy Principles by Morgan Stanley Wealth Management. The Privacy Policy is available at www.morganstanley.com.au/privacypolicy

21. AML/CTF LEGISLATION

21.1 You agree and acknowledge that:

(a) to ensure our continued compliance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* and *Anti-Money Laundering and Counter Terrorism Financing Rules 2007 (No.1)* ("collectively AML/CTF Act and Rules"), we will need to collect information and verification documentation from you from time to time;

(b) you will provide us with whatever additional information is required in order for us to meet our obligations under the AML/CTF Act and Rules; and

(c) we will not be liable for any loss incurred by you as a result of any action of Morgan Stanley Wealth Management which either delays your account being opened, or results in your account being declined, where these actions are necessary by us to comply with our obligations under the AML/CTF Act and Rules.

22. NOTICES

22.1 Notices, certificates, consents and other communications, in connection with these Terms and Conditions must be in writing unless otherwise specified.

22.2 Communications may be:

- (a) left at the address last notified;
- (b) sent by mail to the address last notified;
- (c) sent by fax to the fax number last notified; or
- (d) sent by electronic message system, including email.

22.3 Communications take effect from the time they are received unless a later time is specified in them.

22.4 Communications sent by post are taken to be received three business days after they are posted if sent to an address within Australia and 10 business days after they are posted if sent to an address outside Australia.

22.5 Communications that are left at an address are taken to have been received on the day that they are left at that address.

22.6 Communications that are sent by a fax machine that produces a transmission report are taken to be received at the time the transmitting machine produces a report that indicates that the communication was sent to the recipient's fax machine.

22.7 Communications that are sent electronically are taken to be received on the day that the email enters the information system of the party's internet service provider or the host of the party's email address.

23. LIMITED POWER OF ATTORNEY

23.1 You appoint Morgan Stanley Wealth Management, including its related entities and their officers, employees and agents (each an "Attorney") to do anything which in the opinion of the Attorney, would give effect to a right, power or remedy in accordance with the limited power of attorney granted by you in the Application Form. You agree to ratify anything done by an Attorney under the limited power of attorney.

23.2 An Attorney may delegate its powers (including the power to delegate) to any person for any period. The Attorney may revoke the delegation.

24. EFFECT OF DEATH

24.1 You agree, if you are an individual, that if you should die during the term of these Terms and Conditions, your personal representative(s) will ratify and confirm all acts and things which we have done or caused to be done pursuant to these Terms and Conditions between the date of your death and receipt by us of notice of it and will indemnify us in respect of these acts or things.

25. GENERAL

25.1 These Terms and Conditions govern Portfolio Wrap and prevail to the extent of any inconsistency with the obligations contained in any marketing material distributed.

25.2 These Terms and Conditions should be read in conjunction with:

- (a) our General Terms of Business and Sponsorship Agreement (as amended from time to time);
- (b) the terms and conditions which apply to the Investment Account and the Cash Account; and
- (c) any other terms and conditions stipulated or provided by the Portfolio Administrator or the Portfolio Wrap Administrator.

25.3 These Terms and Conditions shall be read in conjunction with Part 2 of the Portfolio Wrap Investor Brochure relating to the Managed Funds Portfolio Service and the IDPS Contract and any Margin Lending Agreement in connection with the Client's Portfolio Wrap service, provided that, with respect to the subject matter herein, these Terms and Conditions shall supersede the terms of these other agreements to the extent necessary.

25.4 The Client acknowledges that Morgan Stanley Wealth Management has the right to request the Client's Tax File Number ("TFN") for the purposes of carrying out Morgan Stanley Wealth Management's responsibilities under any applicable tax laws. Morgan Stanley Wealth Management accepts no liability if share registries and suppliers do not act on the TFN instructions from Morgan Stanley Wealth Management. If the Client does

not provide the TFN to Morgan Stanley Wealth Management for application to Portfolio Wrap and any investments made in connection with Portfolio Wrap, taxation at the highest marginal rate plus Medicare Levy may be deducted from the payments due to the Client and remitted to the Australian Taxation Office by share registries and other suppliers. Morgan Stanley Wealth Management will only use the Client's TFN as the law permits.

26. INDEMNITY

26.1 To the fullest extent permitted by law, you release, discharge and indemnify and agree to keep us, our agents and delegates, our affiliates, our affiliates' agents, delegates and the Portfolio Wrap Administrator and any of our or their employees, officers or directors (each an "Indemnified Person") indemnified from and against all sums of money, actions, proceedings, suits, Claims, demands, Losses and any other amounts which any Indemnified Person may suffer or incur directly or indirectly as a result of, or in connection with:

(a) any default, whether by act or omission, of yours under these Terms and Conditions, the Nominee Agreement or a transaction which has been effected by or for you;

(b) any breach by you of these Terms and Conditions, the Rules or any Applicable Law including the Corporations Act;

(c) any representation or warranty made or given by you under these Terms and Conditions proving to be untrue or incorrect;

(d) any error, omission, fraud, malfeasance, negligence, misappropriation or criminal act or omission by you (or any person purporting to act on your behalf);

(e) any failure of any of your computer or electronic systems or networks or any telecommunications service used by you to perform, be available or successfully transmit data to the Indemnified Person, or any error or inadequacy in the data or information input into such systems or networks by you;

(f) anything lawfully done by the Indemnified Person in accordance with or pursuant to these Terms and Conditions, the Nominee Agreement or a transaction which has been effected by or for you;

(g) any request, instruction or direction given by you (or any person purporting to act on your behalf);

(h) any errors, or omissions in any information relating to the Client's Investments or any delay in the information relating to the Client's Investments being recorded in Portfolio Wrap;

(i) any delay or error in the transmission or execution of any transaction or instructions given or placed by or for you, except in respect and to the extent of any gross negligence, fraud or dishonesty by the Indemnified Person or any claim under any Applicable Law;

(j) the Indemnified Person complying with any direction, request or requirement of:

(i) the ASX Group, an Approved Market Operator, any Applicable Law including the Corporations Act, ASIC, a court of law or any other regulatory, statutory or judicial body; or

(ii) any other person who either has or proposes to commence proceedings or investigations (including private matters pertaining to your personal or business affairs) on your behalf or on behalf of another person;

(k) the Client's failure to independently confirm information (including but not limited to investment information) being recorded in Portfolio Wrap

(l) the Indemnified Person in good faith accepting and acting on instructions received by facsimile transmission which are signed by or purported to be signed by you; or

(m) any contract or relationship established under these Terms and Conditions or any conduct relating to such a contract or relationship, except in respect of any Losses arising as a result of the Portfolio Wrap Administrator's willful default, fraud or negligence or where the investment information is not provided in good faith by the Portfolio Wrap Administrator or where, the Portfolio Wrap Administrator has not corrected errors in its records within a reasonable time after it becomes aware of them.

26.2 This is a continuing indemnity and will survive the termination of these Terms and Conditions. The Indemnified Person holds the benefit of this indemnity for itself and on trust for each of its officers, employees, agents and representatives.

27. EXCLUDED WARRANTIES

27.1 The Client acknowledges that the Portfolio Wrap Administrator excludes, to the extent permitted by law, all implied warranties, promises and conditions in respect of the Software, provided that if the law requires a warranty, promise or condition to be implied in respect of the provision of the Software, then the Portfolio Wrap Administrator's liability for breaching the implied warranty, promise or condition is limited, at its options, to replacing any goods, or supplying equivalent goods, or repairing the goods, or paying for their replacement of the cost of acquiring equivalent goods that the breach related to, or resupplying or paying the cost of resupplying services that the breach related to.

27.2 Notwithstanding sub-clause 27.1, the Client acknowledges and agrees that in the event of the operation of sub-clause 27.1, it will not have any recourse to Morgan Stanley Wealth Management.

28. LIMITATION OF LIABILITY

28.1 Morgan Stanley Wealth Management does not exclude or limit the application of any statute where to do so would contravene that statute or cause any part of these Terms and Conditions to be void. Morgan Stanley Wealth Management excludes all conditions, warranties or terms implied by statute, general law or custom except to the extent that such exclusion would contravene any statute or cause this clause 28 to be void. Morgan Stanley Wealth Management's liability for a breach of any provision implied by law which cannot be excluded is limited to supplying of the Services again.

28.2 Morgan Stanley Wealth Management is not liable, and the Client releases Morgan Stanley Wealth Management from any liability, arising out of the operation of any facility used in the provision of the Services or the Portfolio Administration Services, whether for any breach of a provision of any relevant legislation, negligence, injury, lost profits, loss of files or data, economic loss, loss of reputation or losses or damages ("Loss") direct or indirect, incidental or consequential to the operation of any such facility, except to the extent that such Loss is caused by the negligence, fraud or wilful default of Morgan Stanley Wealth Management, its employees, agents or representatives.

28.3 All warranties (both express and implied) are disclaimed as to the description, quality, performance or fitness for the purpose of the Client of any facility used in the provision of the Services or the Portfolio Administration Services (or part of them). The liability for any term, condition or warranty which by legislation cannot be excluded, to the extent permitted by law, is limited at the option of Morgan Stanley Wealth Management to either supplying the service again or the cost of supplying the service again.

28.4 Morgan Stanley Wealth Management does not warrant or forecast that any facility used in the provision of the Services or the Portfolio Administration Services will meet the requirements of the Client, or the operation of, or services performed in respect of, any facility will be uninterrupted or error free.

29. SEVERABILITY

29.1 Each part of these Terms and Conditions is severable from the balance of these Terms and Conditions and if any part of these Terms and Conditions is illegal, void, invalid or unenforceable, then that will not affect the legality, effectiveness, validity or enforceability of the balance of these Terms and Conditions.

30. ASSIGNMENT

30.1 The Client's rights in respect of its participation in Portfolio Wrap are incapable of being assigned (whether at law, in equity or otherwise) or made the subject of any encumbrance, trust or fiduciary obligation without the prior written consent of Morgan Stanley Wealth Management, which consent may be withheld at the absolute discretion of Morgan Stanley Wealth Management. Any action which claims to do any of these things is void.

30.2 Morgan Stanley Wealth Management will be entitled to assign any benefits under these Terms and Conditions in its absolute discretion.

31. WAIVER

31.1 A failure to exercise or enforce or a delay in exercising or enforcing or partial exercise or enforcement of any right, remedy, power or privilege under these Terms and Conditions by us will not in any way preclude or operate as a waiver of any further exercise or enforcement of these Terms and Conditions or the exercise or enforcement of any other right, remedy, power or privilege hereunder or provided by law.

32. FORCE MAJEURE

32.1 A failure of Morgan Stanley Wealth Management in respect of the performance of its obligations to you does not give rise to any right of action or claim against Morgan Stanley Wealth Management if the failure or omission arises from any cause beyond its control.

33. TIME OF ESSENCE

33.1 Time is of the essence with respect to these Terms and Conditions.

34. GOVERNING LAW AND JURISDICTION

34.1 These Terms and Conditions are governed by the laws of New South Wales and the parties irrevocably submit to the exclusive jurisdiction of the courts of New South Wales.

Schedule 1

Fees

1. INTERPRETATION

In this Schedule 1, unless otherwise defined in these Terms and Conditions or the contrary intention appears:

Administration Fee means the fee charged by Morgan Stanley Wealth Management for the reporting platform and associated administrative services. The fee is \$1,320 p.a. (including GST), or \$1,980 p.a. (including GST) if the Portfolio Administration Service is elected.

Adviser Fee means the fee charged by Morgan Stanley Wealth Management for the advice provided by your financial adviser and the provision of Portfolio Wrap in respect of the Client's Investments as negotiated with the Client.

Brokerage means a transaction based fee that your financial adviser may charge for entering into transactions for you in relation to financial products, generally calculated as a flat dollar amount or as a percentage of the value of the transaction and may include a minimum fee. This is in addition to any Adviser Fee that may be charged.

GST means goods and services tax described in the *A New Tax System (Goods and Services Tax) Act 1999*, and related Acts, or any similar tax.

Nominated Rate means the rate, as agreed between each Client and the Client's financial adviser, applicable to the provision of the Services.

Other Charges means any incidental government charges and duties incurred pursuant to Portfolio Wrap which may be charged to the Client by Morgan Stanley Wealth Management at its discretion.

Transfer Fees means a fee of \$55 (including GST) which is incurred by Morgan Stanley Wealth Management and may be charged by Morgan Stanley Wealth Management to the Client for each in specie transfer of a Managed Fund held in the Portfolio Wrap Service.

Schedule 2

Direct Debit and Credit Request Service Agreement

The terms and conditions in this Schedule 2 form the Client's direct debit/credit request service agreement with Morgan Stanley Wealth Management when the Client participates in Portfolio Wrap, and should be read in conjunction with any Direct Debit Request.

1. DEBITING YOUR CASH ACCOUNT

1.1 By providing a Direct Debit Request, you authorise Morgan Stanley Wealth Management to arrange for amounts to be debited from your Cash Account on the due date of the drawing ("debit day"). The amounts we will arrange to be debited will be either:

- (a) the funds you have authorised to be debited in the Direct Debit Request,
- (b) amounts payable under these Terms and Conditions, including any Fees, or
- (c) an amount as notified to you together with the due date in a billing advice which may be sent to you in paper or electronic form in accordance with these Terms and Conditions.

1.2 Unless notified otherwise to you, debit day will be on the 10th of every month.

1.3 If a debit day falls on a non-Business Day, Morgan Stanley Wealth Management will arrange for the amount to be drawn on the next Business Day.

2. CHANGES BY MORGAN STANLEY WEALTH MANAGEMENT

2.1 If Morgan Stanley Wealth Management varies any details of this DDCR Service Agreement or a Direct Debit Request, including the amount or frequency of future debits, we will give you at least 14 days written notice.

3. YOUR RIGHTS

3.1 You may defer a particular debit payment, or otherwise defer, alter, or terminate this DDCR Service Agreement by providing us at least 5 Business Days' written notice prior to the relevant debit day or arranging it through your nominated financial institution.

3.2 If you consider there has been an error including in relation to a drawing amount or a debit day, you should notify Morgan Stanley Wealth Management as soon as possible so that we can investigate and resolve the matter. If you have a complaint which we do not resolve, or you are dissatisfied with a response, we have a complaint and dispute resolution process. You can find information about that

process in our Financial Services Guide which is available online at www.morganstanley.com.au/resources or by contacting us.

3.3 Subject to paragraph 4.4 below in this Schedule 2, we will keep your information in your Direct Debit Request, including information about your Cash Account, confidential. Any of your personal information we receive under this DDCR Service Agreement will be handled in accordance with clause 20 (Information Collection Statement) of these Terms and Conditions.

4. YOUR RESPONSIBILITY

4.1 It is your responsibility to ensure that sufficient funds are available in your Cash Account to meet a drawing under this DDCR Service Agreement on the debit day.

4.2 If there are insufficient funds available in your Cash Account to meet a drawing on the debit day, you:

- (a) may be charged a dishonour fee by the financial institution at which your Cash Account is maintained
- (b) may incur fees or charges imposed or incurred by Morgan Stanley Wealth Management
- (c) must arrange with us a suitable alternative payment method including by arranging for sufficient clear funds to be in your Cash Account by an agreed time so that we can attempt another drawing, and
- (d) acknowledge that we may exercise our right to cancel the DDCR Service Agreement if the number of drawings that return unpaid by your nominated financial institution is 3.

4.3 It is also your responsibility to:

- (a) check that your Cash Account details provided to us are correct by checking those details directly against a recent account statement from your nominated financial institution. If you provide incorrect bank account details, you may incur a fee if we process a transaction to that account
- (b) ensure that the authorisation given to draw on your Cash Account is identical to the account signing held by the financial institution where the Cash Account is maintained
- (c) advise us if your Cash Account is transferred or closed
- (d) arrange with us a suitable alternative payment method, including the establishment of a new Cash Account, if this DDCR Service Agreement is cancelled.

You acknowledge that a Cash Account is required under these Terms and Conditions for the duration of your participation in Portfolio Wrap and terminating this DDCR Service Agreement without arranging an alternative payment method in accordance with your responsibilities may result in termination of your participation in Portfolio Wrap.

5. CREDITING YOUR CASH ACCOUNT

5.1 You authorise Morgan Stanley Wealth Management to lodge your Cash Account details for you with share registries for the payment of dividends, interest and other payments in respect of your existing and future share holders that are sponsored by Morgan Stanley Wealth Management.

Part 4

Nominee Agreement – Terms and Conditions

The client (“you”) and Morgan Stanley Wealth Management Australia Pty Ltd ABN 19 009 145 555 (“Morgan Stanley,” “we,” “our” or “us”) agree to the following additional terms:

1. NOMINEE SERVICES

1.1 You understand and agree that the terms under this Nominee Agreement are in addition to the Terms and Conditions, as amended from time to time, in part 3 of the Portfolio Wrap Investor Brochure (“Terms”) and that unless the contrary intention appears, any capitalised term in this Nominee Agreement will have the meaning ascribed to it in the Terms. Any reference to a clause in the Terms shall be taken to be a reference to that clause as amended from time to time.

1.2 You agree that all financial products (defined in the Terms) and any other assets, rights or products that may not come within the definition of financial product (“Other Products”) that you or we nominate to be held in custody on your behalf, shall be purchased and held by us through our nominee, being “Morgan Stanley Nominees” (as defined in clause 1.3 below). You further agree that we will act as nominee for the purpose of this Nominee Agreement, and will hold on your behalf any financial products and Other Products that you or we nominate to be held in custody. We may do this by engaging sub-nominees. On reasonable request by you we will provide you with written confirmation of the manner in which we hold the financial products and Other Products.

1.3 Morgan Stanley Nominees means Bow Lane Nominees Pty Ltd (ABN 94 005 734 145) or any other nominee of Morgan Stanley Wealth Management as appointed by us from time to time. We may substitute any other entity as nominee from time to time, in which case we will provide you with prior written notice of the identity and contact details of the other nominee entity. Where practicable, we will provide you with prior written notice before arranging for another nominee entity to be appointed to hold your financial products and Other Products.

1.4 You acknowledge that Morgan Stanley Nominees may be an Authorised Representative (as defined in the Corporations Act) of Morgan Stanley Wealth Management under its Australian financial services licence. **Morgan Stanley Wealth Management** means Morgan Stanley Wealth Management Australia Pty Ltd (ABN 19 009 145 555) and any body of which Morgan Stanley Wealth Management is the successor or transferee; the new person formed if Morgan Stanley Wealth Management is reconstituted or amalgamated with a new body; and any person to which some or all of Morgan Stanley Wealth Management’s business, including its right to receive the amount owing, is transferred or assigned.

1.5 You authorise Morgan Stanley Wealth Management on your behalf to collect or otherwise receive all principal, dividends, interest, other amounts and entitlements relating to financial products or Other Products held in custody on your behalf and Morgan Stanley Wealth Management must account to you in respect thereof.

1.6 You further authorise Morgan Stanley Wealth Management to credit any of your accounts with any monies received by it on your behalf, and to open accounts in its name with any Australian ADI and to deposit moneys held for you in such accounts.

1.7 We, Morgan Stanley Nominees and any other nominee under this Nominee Agreement (“Principal Nominee”) may appoint sub-nominees or sub-custodians to hold any financial products or Other Products on behalf of the Principal Nominee, and to perform such other functions of the nominee as the Principal Nominee considers necessary or desirable. Where practicable, we will provide you with prior written notice before arranging for a sub-nominee to be appointed to hold your financial products and Other Products. In any event, we will provide you with prior written notice of the identity and contact details of any sub-nominee appointed under this clause. Persons appointed or engaged by the Principal Nominee under this Nominee Agreement may be related to, or associated with, the Principal Nominee and may be paid and receive their normal fees or commissions.

2. INSTRUCTIONS

2.1 Subject to clause 13 of the Terms, Morgan Stanley Wealth Management is entitled to act in relation to:

(a) the financial products or Other Products held in custody on your behalf; and

(b) any matter to which the terms and conditions of this Nominee Agreement relate, on electronic, written or verbal instructions from you or from any other person you have authorised to issue instructions on your behalf. You authorise each Morgan Stanley Nominee to provide instructions on your behalf.

2.2 If you are a company within the meaning of the Corporations Act, Morgan Stanley Wealth Management may act on electronic, written or verbal instructions given by your director or secretary or any other person recognised as your director, officer or agent.

2.3 If Morgan Stanley Wealth Management requests instructions and no instructions are received by the time stipulated in the request, then Morgan Stanley Wealth Management is not obliged to and may not take any step or other action in connection with, or relating to, financial products or Other Products held in custody on your behalf.

2.4 In the absence of an instruction from you or given on your behalf to reinvest or redeem any financial products or Other Products held in custody, Morgan Stanley Wealth Management will return the funds (representing the value of the financial products or Other Products at the relevant date) to you by cheque or in accordance with your usual nominated settlement instructions.

3. NOTICES

3.1 Morgan Stanley Wealth Management is not obliged to inform you of any written notice or other communication received by it from any person or corporation relating to any of your financial products and/or where applicable Other Products held in custody other than:

(a) all new issues and other similar rights (whether renounceable or not) relating to the financial product or Other Products held in custody;

(b) all calls and other moneys payable by you in respect of the financial products or Other Products held in custody; and

(c) the date of exercise of options held in custody.

3.2 Any notice or other communication by Morgan Stanley Wealth Management to you is deemed to be sufficiently given

(whether or not actually received by you) if delivered or mailed or sent by telex, electronically or to the facsimile number or address as notified by you.

4. VOTING

4.1 Neither Morgan Stanley Wealth Management nor Morgan Stanley Nominees are obliged to request your instructions or attend meetings of corporations or other entities in which the financial products or Other Products are held in custody on your behalf, or vote in respect of any of those financial products or Other Products. However, wherever practicable, Morgan Stanley Wealth Management will use reasonable endeavours to cause Morgan Stanley Nominees to exercise, if instructed by you or another person authorised to issue instructions on your behalf, the voting rights attached to financial products or Other Products held in its custody on your behalf.

5. CERTIFICATES/HOLDING STATEMENTS

5.1 Unless Morgan Stanley Wealth Management otherwise agrees, all certificates, holding statements and other documents or evidence of title relating to your financial products or Other Products held in custody on your behalf will be retained by Morgan Stanley Nominees, its sub-nominee or a Morgan Stanley Wealth Management Authorised Representative.

6. NO MORTGAGES

6.1 You must not mortgage or otherwise encumber the financial products or Other Products held in custody without the prior written approval of Morgan Stanley Wealth Management.

7. UNAUTHORISED DEALINGS

You warrant and represent that you:

(a) have not and will not assign, charge, declare a trust over or otherwise grant a security over the accounts; bank bills, financial products or Other Products that you or we nominate to be held in custody;

(b) will not create or allow a third party or any other agent to agree to an assignment, charge, declaration of trust over or otherwise grant a security over the accounts, bank bills, financial products or Other Products you or we nominate to be held in custody.

8. FEES AND EXPENSES

8.1 You must pay Morgan Stanley Wealth Management’s rates of brokerage, commission and other fees agreed or advised from time to time for any transaction undertaken by Morgan Stanley Wealth Management or its sub-nominee in respect of the financial products or Other Products held in custody on your behalf.

8.2 You must also, upon request from Morgan Stanley Nominees, pay all the costs, fees, taxes, losses, damages and liabilities (“Losses and costs”) incurred by Morgan Stanley Nominees for acting in accordance with this Nominee Agreement.

8.3 Morgan Stanley Wealth Management may, in accordance with the DDCR Service Agreement and your Direct Debit Request, debit any account maintained on your behalf with:

(a) all fees and other moneys payable to Morgan Stanley Wealth Management by you under this Nominee Agreement, the Terms, or otherwise; and

(b) any call or other moneys owing or paid in respect of any financial product or Other Product held on your behalf in custody.

8.4 If any amount payable by you to Morgan Stanley Wealth Management on any account is not paid by the due date for payment then, without prejudice to any other rights of Morgan Stanley Wealth Management under this Nominee Agreement, the Terms or at law, Morgan Stanley Wealth Management may sell any financial products or Other Products held by it in custody for you without being responsible for any loss or damage incurred and may apply the proceeds in reduction of your liability to Morgan Stanley Wealth Management.

8.5 Morgan Stanley Wealth Management may, by not less than 30 days written notice to you, revise all or any of the fees. You must pay these revised fees to Morgan Stanley Wealth Management from the date specified on the notice.

8.6 Morgan Stanley Nominees may apply any money held by it as your nominee, whether or not in the Cash Account, in or towards satisfaction of any amount owing by you to us or Morgan Stanley Nominees.

8.7 Notwithstanding any other term of this Nominee Agreement, Morgan Stanley Nominees may not take or grant a charge, mortgage, lien or other encumbrance over, or in relation to, the assets held under this Nominee Agreement unless the charge, mortgage, lien or other encumbrance is:

(a) for expenses and outlays made within the terms of this Agreement (other than our unpaid fees); or

(b) in accordance with your written instructions (which may be contained in the terms of this Nominee Agreement or in any other agreement between you and us from time to time, including any amendments thereto).

9. POWER OF ATTORNEY

9.1 You irrevocably appoint Morgan Stanley Wealth Management and each director and secretary of Morgan Stanley Wealth Management severally as your attorney to sign, seal, deliver, execute and do on your behalf and in your name or otherwise as the attorney thinks fit all instruments, writings, matters, acts and things which the attorney may think necessary or desirable to assign or transfer all financial products or Other Products held in custody to you or otherwise to give effect to your obligations under these terms and conditions. You ratify and confirm and agree to ratify and confirm whatsoever the attorney does or purports to do by virtue of that power of attorney.

10. INDEMNITY

10.1 To the fullest extent permitted by law, you release, discharge and indemnify and agree to keep us, Morgan Stanley Nominees, our agents and delegates, our affiliates, our affiliates' agents, delegates, and the Portfolio Wrap Administrator and any of our or their employees, officers or directors (each an "Indemnified Person") indemnified from and against all sums of money, actions, proceedings, suits, Claims, demands, Losses and any other amounts which any Indemnified Person may suffer or incur directly or indirectly as a result of, or in connection with:

(a) any default, whether by act or omission, of yours under the Terms, the Nominee Agreement or a transaction which has been effected by or for you;

(b) any breach by you of the Nominee Agreement, the Terms, the Rules or any Applicable Law including the Corporations Act;

(c) any representation or warranty made or given by you under the Nominee Agreement or the Terms proving to be untrue or incorrect;

(d) any error, omission, fraud, malfeasance, negligence, misappropriation or criminal act or omission by you (or any person purporting to act on your behalf);

(e) any failure of any of your computer or electronic systems or networks or any telecommunications service used by you to perform, be available or successfully transmit data to the Indemnified Person, or any error or inadequacy in the data or information input into such systems or networks by you;

(f) anything lawfully done by the Indemnified Person in accordance with or pursuant to the Nominee Agreement, the Terms or a transaction which has been effected by or for you;

(g) any request, instruction or direction given by you (or any person purporting to act on your behalf);

(h) any errors, or omissions in any information relating to the Client's Investments or any delay in the information relating to the Client's Investments;

(i) any delay or error in the transmission or execution of any transaction or instructions given or placed by or for you, except in respect and to the extent of any gross negligence, fraud or dishonesty by the Indemnified Person or any claim under any Applicable Law;

(j) the Indemnified Person complying with any direction, request or requirement of:

(i) the ASX Group, an Approved Market Operator, any Applicable Law including the Corporations Act, ASIC, a court of law or any other regulatory, statutory or judicial body; or

(ii) any other person who either has or proposes to commence proceedings or investigations (including private matters pertaining to your personal or business affairs) on your behalf or on behalf of another person;

(k) the Client's failure to independently confirm information (including but not limited to investment information) being recorded;

(l) the Indemnified Person in good faith accepting and acting on instructions received by facsimile transmission which are signed by or purported to be signed by you; or

(m) any contract or relationship established under the Nominee Agreement, the Terms or any conduct relating to such a contract or relationship, except in respect of any Losses arising as a result of the Portfolio Wrap Administrator's willful default, fraud or negligence or where the investment information is not provided in good faith by the Portfolio Wrap Administrator or where, the Portfolio Wrap Administrator.

10.2 This is a continuing indemnity and will survive the termination of the Nominee Agreement and the Terms. The Indemnified Person holds the benefit of this indemnity for itself and on trust for each of its officers, employees, agents and representatives.

11. LIMITATION OF LIABILITY

11.1 Morgan Stanley Wealth Management does not exclude or limit the application of any statute where to do so would contravene that statute or cause any part of this Nominee Agreement to be void.

Morgan Stanley Wealth Management excludes all conditions, warranties or terms implied by statute, general law or custom except to the extent that such exclusion would contravene any statute or cause this clause 11 to be void. Morgan Stanley Wealth Management's liability for a breach of any provision implied by law which cannot be excluded is limited to supplying of the Services again.

11.2 Notwithstanding anything else in this Nominee Agreement, Morgan Stanley Wealth Management will be liable to you if you suffer a loss due to our failure (or our nominee's or sub-nominee's failure) to:

(a) comply with our duties under this Nominee Agreement or other agreement between us relating to holding the financial products and Other Products; or

(b) observe reasonable standards generally applied by providers of custodial or depository services for holding financial products and Other Products of the kind contemplated by this Nominee Agreement, provided that Morgan Stanley Wealth Management shall not be liable if the loss results from a failure of our nominee or any sub-nominee where that nominee or sub-nominee is insolvent, so long as Morgan Stanley Wealth Management has taken reasonable care in engaging and monitoring compliance by that nominee or sub-nominee.

12. GUARANTEE

12.1 If you are a company, you will on request by Morgan Stanley Wealth Management procure a guarantee and indemnity in a form approved by Morgan Stanley Wealth Management, in respect of your company's liabilities and obligations to Morgan Stanley Wealth Management from such of its directors or any other persons Morgan Stanley Wealth Management may nominate.

13. INTEREST

13.1 You agree to pay interest on any amount under this Nominee Agreement which is not paid to Morgan Stanley Wealth Management on the due date for payment. The interest accrues daily from (and including) the due date, and the rate of interest applying to each daily balance is calculated at the 90-day Bank Bill Swap Rate.

14. CHANGES IN ADDRESS OR RESIDENCY

14.1 You must immediately notify Morgan Stanley Wealth Management in writing of any change in your address, telephone or facsimile number or your residency for taxation purposes of the beneficial owners of the financial products or Other Products held in custody.

15. INTEREST AND TAXES

15.1 Morgan Stanley Wealth Management is entitled to deduct or withhold, from any dividend, interest or other amount payable to you, all withholding and other taxes, duties and imposts required to be deducted or withheld by law and pay the amount so deducted or withheld to the appropriate taxing or other authority.

15.2 Goods and Services Tax ("GST") will be imposed on taxable supplies we make. Any estimates given and prices quoted in this Nominee Agreement do not include any allowance for GST. If we reasonably decide that we are liable to pay GST on any supply that we make to you in connection with this Nominee Agreement, then you agree to pay us an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate. The additional amount is payable at the same time and in the same

manner as the consideration for the supply to which the additional amount relates.

16. DOCUMENTATION

16.1 If you are an agent, corporation, trustee, executor or administrator, you must deliver to Morgan Stanley Wealth Management (unless previously sighted by it) the relevant Power of Attorney, Constitution, Certificate of Incorporation, Trust Deed, Letters of Administration or Probate or other relevant document (as the case may be).

17. PERSONAL PROPERTY SECURITIES (PPS) ACT

17.1 Where transactions under this Nominee Agreement may give rise to a Security Interest, the following clauses are intended to protect any interest that Morgan Stanley Wealth Management (or its nominee), as the secured party with a Security Interest, has in:

(a) the financial products;

(b) the cash that may be held by Morgan Stanley Wealth Management (or its nominee) in a deposit account, a Cash Account or any other account ("ADI Account") with an Authorised Depositing Institution ("ADI");

(c) the collateral;

(d) the agreed approved security, (collectively, the "Security Assets").

17.2 Where cash or collateral is held by Morgan Stanley Wealth Management (or its nominee) in an ADI Account with an ADI, you agree that, at all times until the termination of this Nominee Agreement, when sums are due to Morgan Stanley Wealth Management (or its nominee), it may direct disposition of funds from the ADI Account without reference to you, the third party and any of your authorised agents (collectively, "Authorised Agents");

17.3 You acknowledge and agree that at all times until the termination of this Nominee Agreement:

(a) Morgan Stanley Wealth Management (or its nominee), as the secured party with a security interest over Secured Assets may initiate or control sending instructions in relation to the transfer of, or other dealings relating to the Secured Assets;

(b) to the extent that Morgan Stanley Wealth Management (or its nominee) has a Security Interest in any of the Security Assets, you must do anything (including executing any document, obtaining any consent or agreement or giving any notice) that Morgan Stanley Wealth Management (or its nominee) requires to enable Morgan Stanley Wealth Management (or its nominee) to perfect and protect any Security Interest provided for by these Terms;

(c) Security Interests arising out of this Nominee Agreement of the transactions contemplated by this Nominee Agreement, are first ranking Security Interests, and if a default under this Nominee Agreement occurs, Morgan Stanley Wealth Management (or its nominee), in addition to any other right that it may have, may severally enforce its Security Interest provided for by this Nominee Agreement;

(d) Morgan Stanley Wealth Management (or its nominee) may register one or more financing statements in relation to its Security Interest. If permitted by the PPSA, you waive your right under section 157 of the PPSA to receive notice of any verification statement or any related financial change statement;

(e) to the extent that any affiliate of Morgan Stanley Wealth Management (or its nominee) holds a Security Interest under this Nominee Agreement, it may do so as trustee or agent on behalf of any other affiliate;

(f) none of the provisions of the PPSA specified in paragraphs (a) to (r) inclusive of section 115 of the PPSA will apply in relation to any collateral the subject of a PPSA Security Interest established under or contemplated by this Nominee Agreement, to the extent that this is permitted by the relevant paragraph of section 115 of the PPSA in relation to that provision. For the avoidance of doubt, terms and expressions defined in the PPSA shall have the same meaning when used in this Nominee Agreement;

(g) you will not to disclose information of a kind mentioned in section 275(1) of the PPSA, except in circumstances required by section 275(7)(b) to (e) of the PPSA. You agree that you will only authorise the disclosure of information under section 275(7)(c) or request information under section 275(7)(d), if Morgan Stanley Wealth Management approves such disclosure. Nothing in this clause (g) will prevent any disclosure by Morgan Stanley Wealth Management if it believes such disclosure is necessary to comply with its other obligations under the PPSA.

17.4 If a term used in this clause 17 has a particular meaning in the PPSA, it has the same meaning in this clause.

18. COMPLIANCE WITH APPLICABLE LAWS

18.1 You warrant and represent that you:

(a) will comply in all respects with all applicable laws, rules, regulations, policies and practices applicable to you, including but not limited to, the relevant provisions of the ASX Market and ASX Clear Operating Rules, the ASX Settlement Operating Rules, Australian Federal Privacy Act (1988), the Corporations Act and all other laws in respect of the financial products and Other Products held in custody including the giving of any substantial shareholding notice; and

(b) will not cause Morgan Stanley or the Morgan Stanley Nominees to breach any of the rules or laws in sub-clause (a).

18.2 You authorise Morgan Stanley Wealth Management and Morgan Stanley Nominees to disclose any information in relation to you and the financial products and Other Products held in custody as may be required by law, the ASX Market or Listing Rules, ASX Settlement Operating Rules or the constituent documents of the corporation or other entity in which those financial products or Other Products are held.

19. CONFIDENTIALITY

19.1 A party must not disclose this Nominee Agreement to any person except:

(a) to any professional or other adviser consulted by it in relation to any of its rights or obligations under this Nominee Agreement;

(b) in connection with the enforcement of its rights under this Nominee Agreement;

(c) to any of its affiliates, agents or other authorised representatives where the disclosure is made on the basis that the recipient of the information will comply with this clause in the same way that the party is required to do;

(d) where the information is already in the public domain, or where the disclosure would not otherwise breach any duty of confidentiality;

(e) if required by law in Australia or elsewhere; to any state, national or international regulatory, enforcement, exchange body or court anywhere in the world as required or allowed by applicable law or regulation anywhere in the world or at such person's request; or

(f) to any other person as required or allowed by applicable law or regulation anywhere in the world; or

(g) otherwise with the prior written consent of the non-disclosing party.

20. RECORDS AND REPORTING

20.1 Records of your financial products or Other Products held in custody by us, including any transactions relating to those financial products or Other Products (including how, by whom and when they were authorised), are maintained electronically, and will be made available to you on reasonable request.

20.2 Morgan Stanley Wealth Management applies verification procedures for the reconciliation and checking of your financial products or Other Products held in custody by us.

20.3 Statements or confirmations of your financial products or Other Products held in custody by us will generally be provided to you periodically (depending on what kind of financial products or Other Products we hold for you), or otherwise on reasonable request.

21. BUSINESS CONTINUITY

21.1 Morgan Stanley Wealth Management has and maintains arrangements designed to enable us to continue to provide the services contemplated by this Nominee Agreement in any contingency.

22. FORCE MAJEURE

22.1 A failure by Morgan Stanley Wealth Management in respect of the performance of its obligations to you does not give rise to any right of action or claim against Morgan Stanley Wealth Management if the failure or omission arises from any cause beyond its control.

23. TERMINATION

23.1 This appointment may be terminated in accordance with clause 19 of the Terms. You must pay all fees outstanding at the date of termination.

23.2 On termination, Morgan Stanley Wealth Management will transfer (subject to being paid all amounts due to it) all financial products or Other Products held in custody to you, or as otherwise lawfully directed by you within a reasonable period of time. You are responsible to register any transfer (unless attended to by Morgan Stanley Wealth Management at your cost and expense) and to pay all stamp and other duties and taxes in respect thereof.

24. VARIATION OF TERMS AND CONDITIONS

24.1 Morgan Stanley Wealth Management may vary the terms and conditions of this Nominee Agreement by not less than 14 days written notice to you and thereafter these terms and conditions as varied by that notice will apply and take effect as if originally incorporated in this document.

25. TAX FILE NUMBER ("TFN")

25.1 You understand that pursuant to clause 15 of this Nominee Agreement, that Morgan Stanley Wealth Management is entitled to deduct or withhold from any amounts payable to you in respect of financial products or Other Products held in custody on your behalf, all withholding and other taxes, duties and imposts required to be deducted or withheld by law and pay the amount so deducted or withheld to the appropriate taxing or other authority. You acknowledge that if you do not provide your TFN to us that we may deduct any such taxes, duties or imposts at the top marginal rate from any financial products or Other Products that we hold in nominee for you.

26. GENERAL

26.1 You warrant to Morgan Stanley Wealth Management that all information provided by you to Morgan Stanley Wealth Management regarding the financial products or Other Products held or to be held in custody or any other matter relating to or incidental to the subject matter of this document is or will be, when given, complete, accurate and not misleading in any respect. In the event of any material change in such information you agree to promptly notify Morgan Stanley Wealth Management.

26.2 It is a condition of this Nominee Agreement that you acknowledge that you have read, understood and agree to be bound by the Terms in addition to these of this Nominee Agreement.

26.3 To the extent of any inconsistency, the terms of this Nominee Agreement shall prevail over the Terms.

26.4 You must not provide any instructions to us or Morgan Stanley Nominees that are inconsistent with this Nominee Agreement.

26.5 Termination of Morgan Stanley Nominees' appointment does not affect any rights or obligations accrued up and until the time of termination.

26.6 These terms and conditions of this Nominee Agreement bind you and your legal personal representatives and successors.

26.7 In this Nominee Agreement references in the singular include the plural and vice versa.

26.8 This Nominee Agreement is governed by the laws of New South Wales, and you submit to the exclusive jurisdiction of the courts of New South Wales.

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