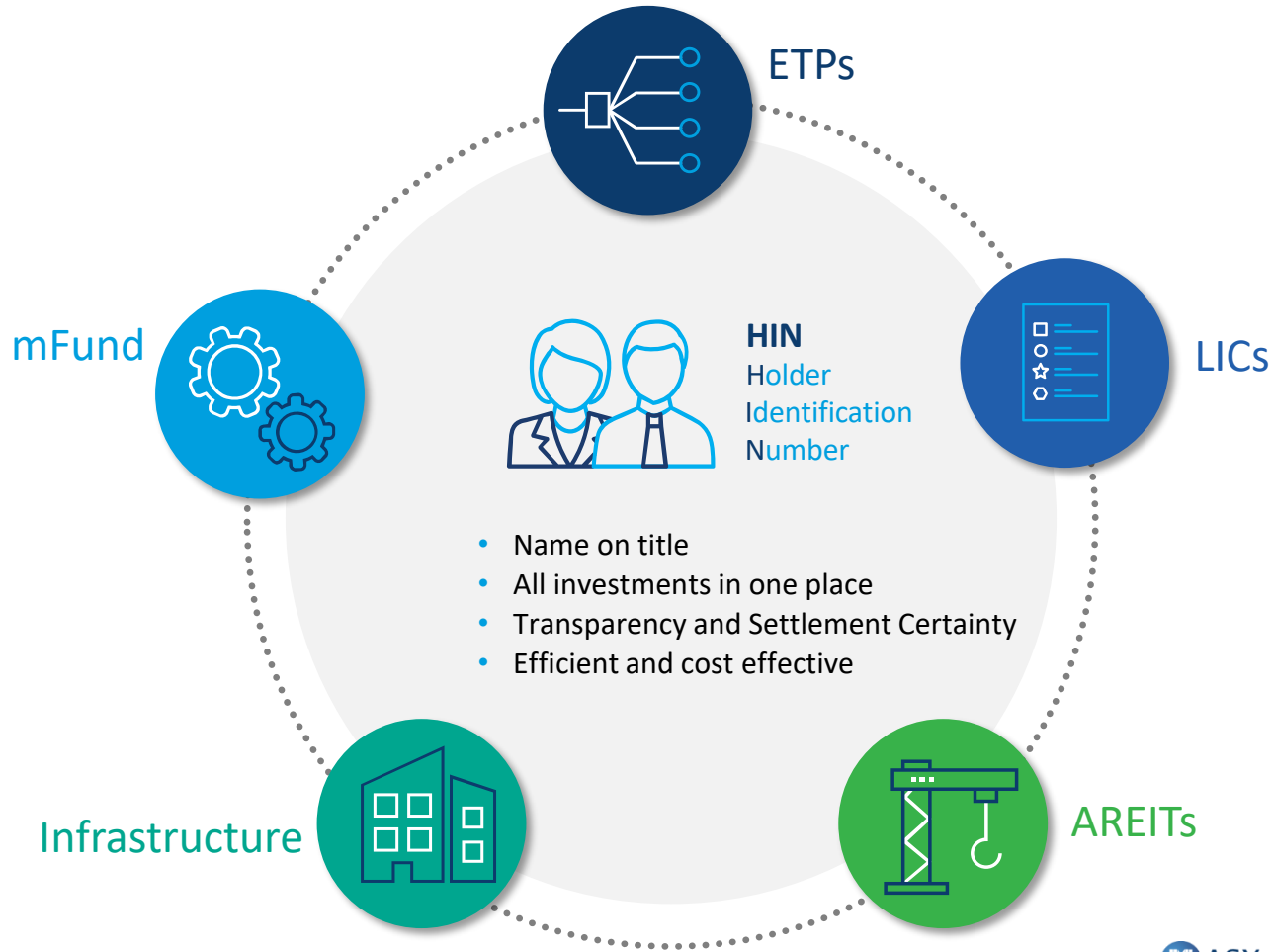



















ASX Investment Products – mFund Overview

ASX Investment Products enable investors to access over 600 products across all asset classes and hold those products on their HIN



Comparison of fund structures on the ASX

Listed Investment Company	Listed Investment Trust	mFund	ETMF – “Active ETF”	Traditional ETF
 Company		 Trust		
 After 30% tax		 Full pass through – taxed at Investor’s Marginal Tax Rate		
 Closed end			 Open end	
 Traded on market		 Applications & Redemptions	 Traded on Market (including market makers)	
 Up to monthly NTA		 Up to quarterly NAV	 Daily NAV (iNAV may be available)	
	 Active			 Typically Passive
	 Can hold a variety of assets including cash			



mFund

What is the Managed Fund Settlement Service (mFund)?

Creating efficiencies for financial advisers and retail investors

Key Points:

- > No application forms
- > AML/ID checks performed once by ASX Trading Participants at the Holder Identification Number (HIN) level rather than by each fund manager
- > Transparency of holdings on HIN alongside other ASX listed equities and admitted products
- > Avoid platform fees
- > Existing funds/classes (i.e. on existing APLs)
- > Existing equivalent direct holdings may be consolidated onto HIN

The process



1 Set your client up with an mFund accredited broker

Set up and identify your clients with your chosen broker – you only need to do this once. You'll find a full list of brokers at mfund.com.au.

2 Submit mFund application online

Submit your order with the mFund ticket code and investment amount. You'll receive confirmation and acceptance of the order, including unit pricing and delivery date.

3 Settlement

mFund units are delivered to your client's CHESS sponsored HIN.

4 Future transactions

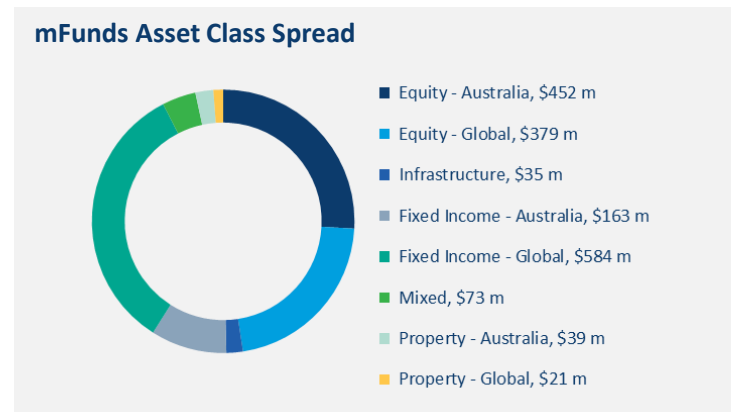
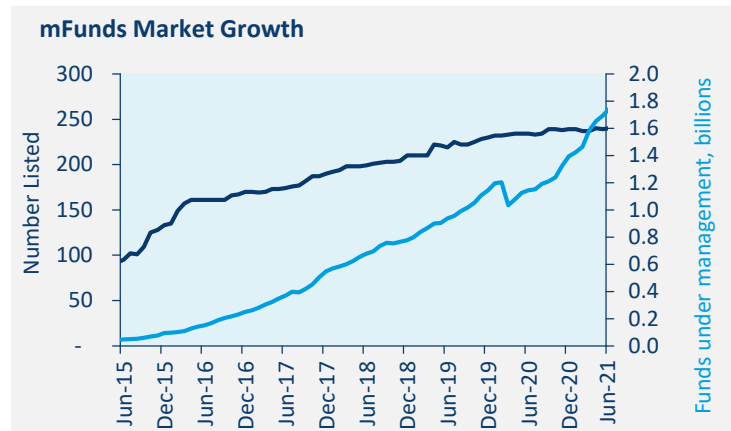
Additional investments and redemptions are also submitted online via your mFund accredited broker, and money is transferred directly into the client's nominated bank account.

mFund has had strong and consistent growth since inception

Key numbers as at 30 June 2021

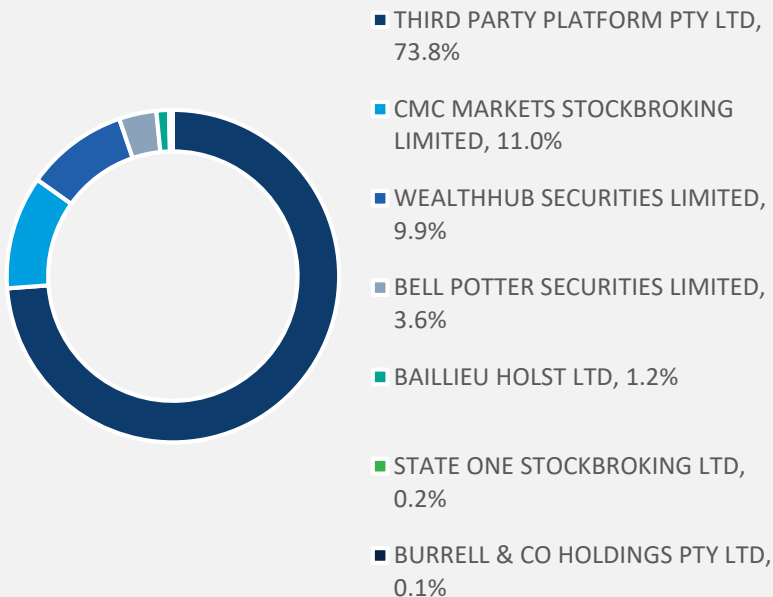
- \$1.7bn FUM, up 53% YOY
- 240 funds
- 12 month avg # applications: >1.2k per month
- 12 month avg applications: >\$51m per month
- Avg initial application size: \$45k
- Avg subsequent application size: \$27k
- >800 financial advisers using mFund via ASX Trading

Participants connected to the service

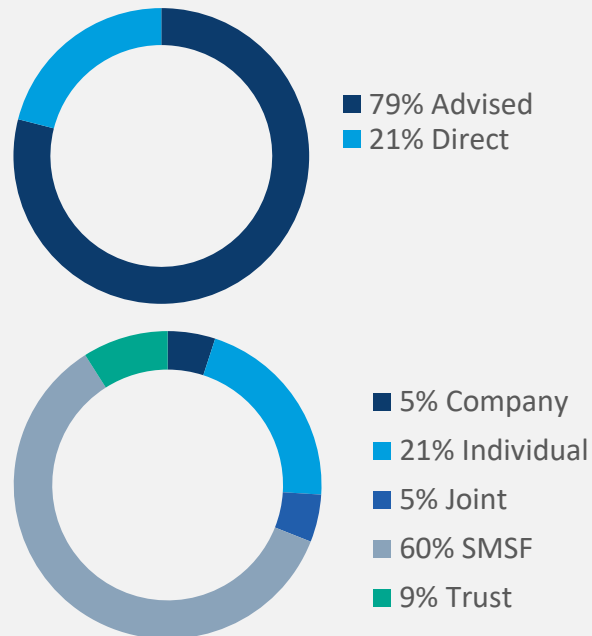


Financial advisers and SMSFs account for the majority of inflows into mFund

Broker market share CYTD 2021



Inflows by customer type CYTD 2021



19 providers now offer access to mFund

✓ You can now invest in mFund with a margin loan



Full Service



Planner Focus



Online

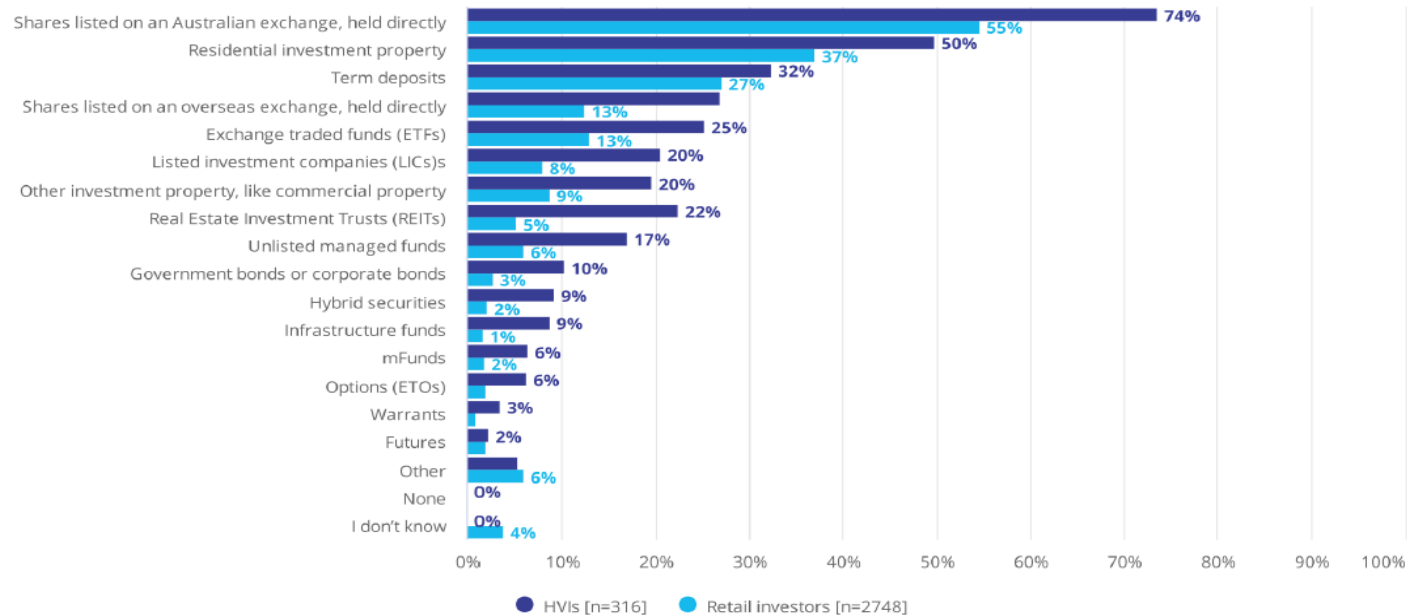


ASX participants offer access to mFund via various brands and white label arrangements

ASX Trading Participant (mFund Broker)	Brand name and white label arrangements
Third Party Platform & Bell Potter Securities	<ul style="list-style-type: none">• Bell Direct• Desktop Broker• Bell Potter Online• Macquarie Online Trading• HSBC
CMC Markets	<ul style="list-style-type: none">• CMC Markets• ANZ Share Investing• St George Directshares• BankSA• Bendigo Invest Direct• BOQ Trading• Suncorp Share Trade
Wealthhub Securities	nabtrade

High Value Investors are 3x more likely to use mFund than retail Investors

Which of the following types of investments do you own, either personally, in a company structure, or family trust? (Please choose all that apply) Among investors



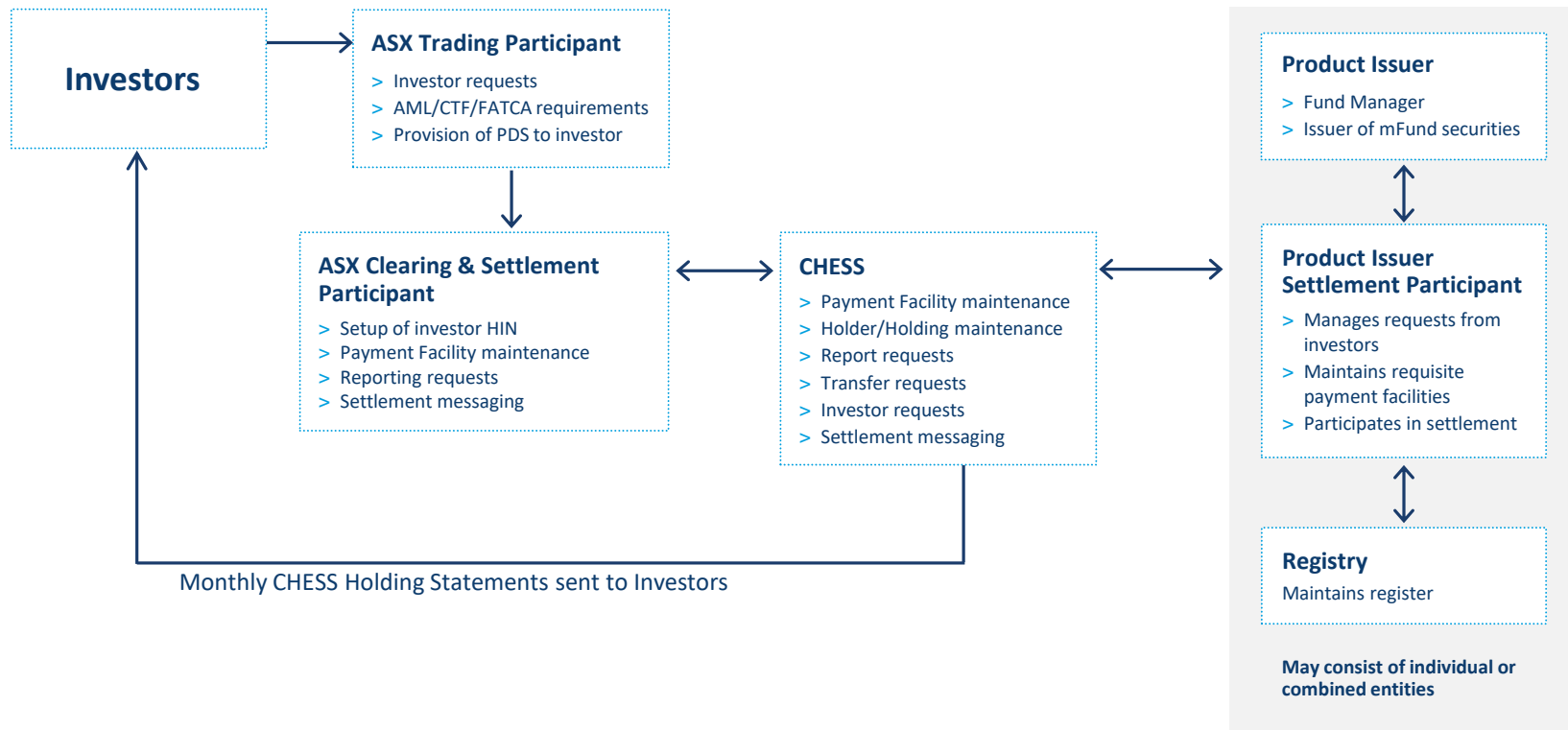
High Value Investors are defined as the top 20% of investors by wealth and trading volume.

Source: ASX Australian Investor Study 2020

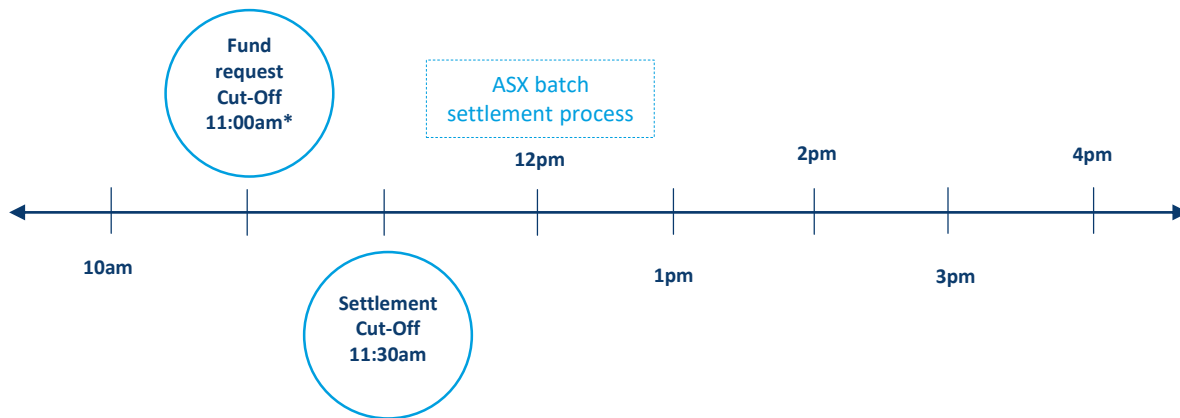


**Operational
overview and
participant
obligations**

mFund connectivity and flows



PISPs must accept or reject applications prior to 11.30 in order for payments to be transferred through the ASX batch settlement process



A valid application is submitted **prior to 11:00am***

- PISP required to accept or reject prior to 11:30am
- PISP response message includes unit pricing date and unit allotment date
- PISP can update details after initial response
- Funds will be transferred from broker to PISP on the same day

A valid application is submitted **after 11:00am***

- PISP required to accept or reject by 11:30am the following day
- PISP response message includes unit pricing date and unit allotment date
e.g. could be priced today or the following day
- PISP can update details after initial response
- Funds will be transferred from broker to PISP on the following day

Fields contained on an initial mFund application

726: Application Request

- Fund Code
- Fund Amount
- Initial Application (Y/N)
- HIN
- Participant Reference
- Supplementary Reference
- Transaction Id
- AML / CTF Flag (Y/N)
- Current PDS Provided (Y/N)
- Product Name
- PDS Issue Date
- APIR Code

737: Investor Details

- Fund Code
- HIN
- DRP Preference
- Participant Reference
- Supplementary Reference
- Transaction Id
- Linking Transaction Id
- Advisor Mobile
- Date of Birth (1, 2, 3)
- TFN / ABN (1, 2, 3)
- Investor Mobile Contact
- Investor Email Address
- BSB Number
- Account Number
- Account Name
- Account Purpose
- Investor Email Purpose
- Dealer Group AFSL Number
- Advisor Email
- APIR Code
- Dealer Group Name
- Advisor Name
- Advisor Code

735: Foreign Tax Status

- Account Type
 - Super Fund (S)
 - Individual (I)
 - Joint (J)
 - Company (C)
 - Trust (T)
- Superannuation Fund ABN (if applicable)
- Address Type
 - Residential (*required for account type I and J*)
 - Registered (*required for account type C*)
 - Trust (*required for account type T*)
- Address Details (*required for account type I, J, C, T*)
- Entity Type (*required for account type C, T*)
 - Active NFE (A)
 - Passive NFE (P)
 - Financial Institution (F)
- Foreign Residency Indicator (Y/N)
- Foreign Person Details (*available for up to three foreign tax resident persons where account type is 'Individual' or 'Joint' and Foreign Residency Indicator = Yes*)
 - Foreign Person Date of Birth
 - Foreign Country Code
 - Foreign TIN
 - TIN Absent reason (if applicable)
- Additional Foreign Parties

ASX rulebooks governing the mFund service

Key documents	Description
ASX Trading Participants	
ASX Operating Rules (Section 4 & 7)	Section 4 (in particular Rules 4650 to 4656 and their associated Procedures) detail the obligations that apply to ASX Trading Participants participating in mFund.
ASX Operating Procedures	The Operating Procedures provide greater clarity on and detail when reading the ASX Operating Rules.
ASX Operating Rules Guidance Note 15: <i>ASX Managed Fund Settlement Service (mFund)</i>	The Guidance Note assists trading participants understand the initial and ongoing requirements for participation in the ASX mFund service.
ASX Settlement Participants (General settlement Participants, Account Settlement Participants, Product Issuer Settlement Participants (PISP))	
ASX Settlement Operating Rules	Section 18 of the Rules and its associated Procedures details the obligations for settlement of mFund products (note, however that Settlement Participants, including PISPs, have a number of other obligations under the ASX Settlement Operating Rules eg: settlement, conversion between registers and holder administration).
ASX Settlement Operating Rules Procedures	These procedures provide greater detail on the ASX Settlement Operating Rules and should be read in conjunction with the Settlement Operating Rules themselves.
ASX Settlement Procedure Guidelines (APGs)	
Product Issuers (Responsible Entities)	
ASX Operating Rules Schedule 10A	This describes and sets out specifications in respect of mFund products.
ASX Operating Rules Schedule 10A Procedures	This provides more detail in respect of the ASX Operating Rules as they relate to Managed Fund Products

Participants have ongoing obligations to inform ASX of changes to their business and compliance with ASX rules

Participants have ongoing obligations to inform ASX of changes and specific matters in relation to its business activities as a participant under the relevant ASX operating rules.

It is important that participants notify ASX of these matters within the prescribed time outlined in the relevant ASX operating rules and associated procedures.

This information helps ASX monitor participant compliance with the ASX operating rulebooks and supervise ASX's markets, clearing and settlement facilities.



Guidance Note 8 – Participant Notification Requirements

Immediately	Annually	Within set business days	Upon becoming effective	Other timeframes
Audit of Internal Controls#	ASX 24 NZ Participant Attestation	Auditor Change#	Business Name Change	Agent for Service - Appointment or Resignation
Controller - Change#	Annual Group Structure Chart#	Client Trust Account and Segregated Account Reconciliation#	Business Address Change	AOP - New and Further Certification
Incomplete, Inaccurate or Misleading Information	AOP Annual Notification	Director Change		Capacity to communicate with ASX#*
Legal Proceedings	Managed Fund Settlement Service Annual Certification	Intention to Cease Clearing Market Transaction#		Clearing Agreement or Amendments
Licence or Other Authorisation	OTC Annual Attestation#	Managed Fund Settlement Service Certifications		Direct Participant - Wholly-Owned Group Entity Notification#
Material Change to Business		Reconciliation of Accumulation Account and other Holdings*		Intellectual Property Rights Indemnity#
PI Insurance Claims#		Regulatory Action		Intention to Cease Clearing Market Contract#
Self Reporting - Significant Breach				Overseas Activity (Offshoring)
Transfers to Facilitate Settlement*				

mFund Annual Certification provided by ASX Trading Participants

ANNEXURE B: ANNUAL CERTIFICATION

Certification of compliance under ASX Operating Rules Procedure 4655(b)(ii) for the year ended 30 June [insert year].

After due enquiry, I certify that [insert name of Trading Participant] (the "Participant") had in place over the year mentioned above (or so much of that year as the Participant conducted transactions in the ASX Managed Funds Service) procedures that complied fully with the requirements set out in paragraph (a) of ASX Operating Rules Procedure 4655.

Capitalised terms used in this certification have the same meaning as is given to them in the ASX Operating Rules.

Name & Position

Signature

Date

Procedure 4655

For the purpose of Rule [4655], the requirements and obligations are:

- (a) The Trading Participant must design and implement procedures that function to ensure that an application for Managed Fund Products is not submitted via the Managed Fund Settlement Service until:
- i. the Trading Participant has complied with the obligations in Part 2 of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('AML/CTF Act') in relation to the client;
 - ii. if the Trading Participant has authorised another person to be its agent for the purposes of carrying out the Trading Participant's obligations under Part 2 of the AML/CTF Act, the agent complies with those obligations on the Trading Participant's behalf;
 - iii. the documents in Rule [4652] have been given to the client;
 - iv. the client has acknowledged in written or electronic form that they have been given:
 - A. the documents required to be given under Rule [4652]; and
 - B. the information required to be given to the client under paragraph (d)(i) or (e) below (as applicable) (including information which is provided by means of a weblink);
 - v. if an application for the issue of Managed Fund Products is received through an intermediary (that is, not direct from the client), the Trading Participant has received from the intermediary a representation that the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable) referred to in Rule [4652] and the information required to be given to the client under paragraph (e) below has been given to the client, and the representation specifies the date of the Product Disclosure Statement or Combined Product Disclosure Statement (as applicable); and
 - vi. the Trading Participant has asked the investor for the following information:
 - A. the investor, tax residency and account type details; and
 - B. the investor's advisor details;and provided this information to the participant of the Approved Settlement Facility responsible for settling the transaction.

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ASX ASX MANAGED FUND SETTLEMENT SERVICE (MFUND)

ASX Managed Fund Settlement Service (mFund)

mFund enables investors of trading participants to apply for and redeem units in participating unlisted managed funds using their existing broking account with the participant and without the need to fill out a paper application or redemption forms.

The service uses the CHESS (electronic settlement system) to automate and track the process of applying for and redeeming units in participating managed funds. A person's holdings in these funds is recorded electronically and can be linked to the same holder identification number (HIN) in CHESS used to hold shares and other investments transacted through ASX, in that way, investors can receive a consolidated holding statement showing all of the investments they hold through CHESS.

About this site

ASX has established this website as a resource to help participants of the mFund service to find key documents, information and education.

If you have questions or suggestions about how we can improve the content on this site to better help your business integrate with mFund, please contact us.

Key ASX contacts

- ASX Business Development: investmentproductsales@asx.com.au
- ASX Operations and CHESS: chess@asx.com.au
- ASX Participants Compliance: participants.compliance@asx.com.au

Product Issuer Settlement Participant (PISP) contacts

- [Key PISP contacts](#)

Other mFund resources

- [mFund Operating Rules and operational resources](#)
- [FAQs: Application Process](#)
- [FAQs: Product Disclosure Statement \(PDS\)](#)
- [FAQs: Redemption Process](#)
- [Business process flowcharts](#)
- [CHESS 10 Progress](#)

For further information about the operation of mFund please visit the mFund participant information page at www.asxonline.com.au or contact a member of ASX Investment Products team on investmentproductsales@asx.com.au

Thank you.