



mFund Industry Working Group

ASX Investment Products

10 April 2024

Agenda

1. Review purpose of Industry Working Group
2. Resources page
3. Key Dates for Issuers
4. Emerging Trends
 - Removal Strategies
 - Removal Timeframe
5. Removals Process
6. Fee Relief Update
7. Investor Details Update
8. AIIR Reporting
9. Key ASX contacts
10. Questions & Other Business

1. Industry Working Group Review of Purpose

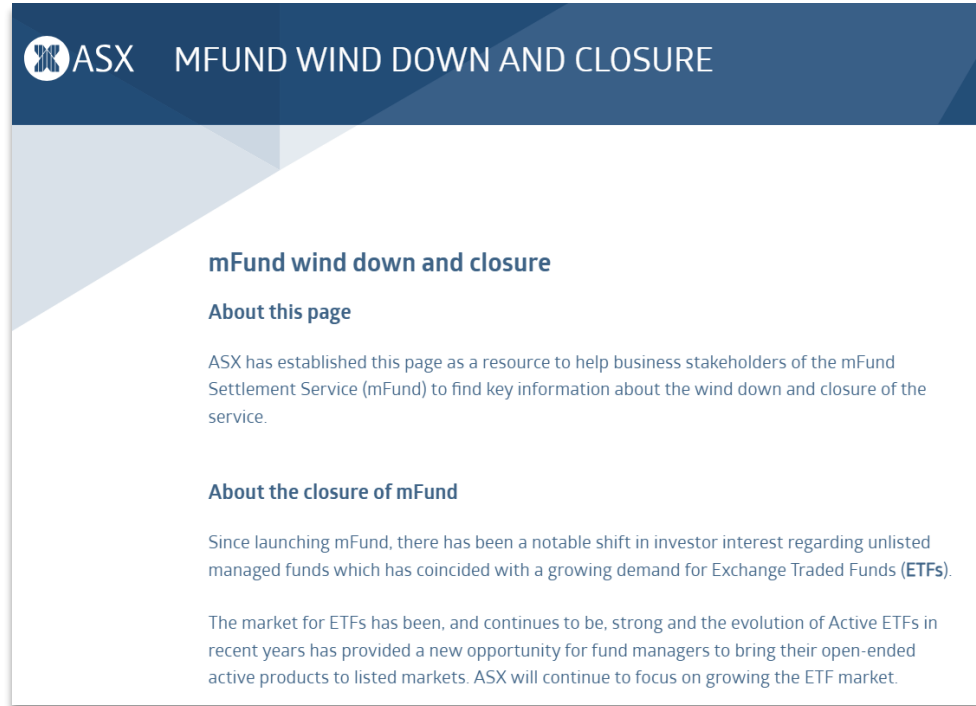
Facilitate a fair and orderly wind down

- Representatives from:
 - Issuers (&/or Investment Managers)
 - PISPs/Registries, and
 - Trading and Settlement Participants (Brokers)
- Act as focus group to help raise issues and provide feedback on closure policies & procedures
- To meet every second month from February 2024 (or as required).
- Proposed meeting schedule for first half 2024
 - 22 February 2024
 - 10 April 2024
 - 5 June 2024

2. Resources page

ASX Online

ASX Online¹ will be used to maintain a record of all presentations, FAQs, procedures, key contacts etc.



The screenshot shows a webpage with a dark blue header containing the ASX logo and the title 'MFUND WIND DOWN AND CLOSURE'. Below the header, the main content area is white with a light blue diagonal graphic element on the left. The page features a sub-header 'mFund wind down and closure', followed by a section 'About this page' which explains that ASX has established this page as a resource for business stakeholders of the mFund Settlement Service (mFund) to find key information about the wind down and closure of the service. Below this is another section 'About the closure of mFund' which discusses the shift in investor interest regarding unlisted managed funds and the growing demand for Exchange Traded Funds (ETFs), noting that the market for ETFs has been strong and that ASX will continue to focus on growing the ETF market.

¹ <https://asxonline.com/public/documents/asx-managed-fund-settlement-service--mfund-/mfund-wind-down-and-closure.html>

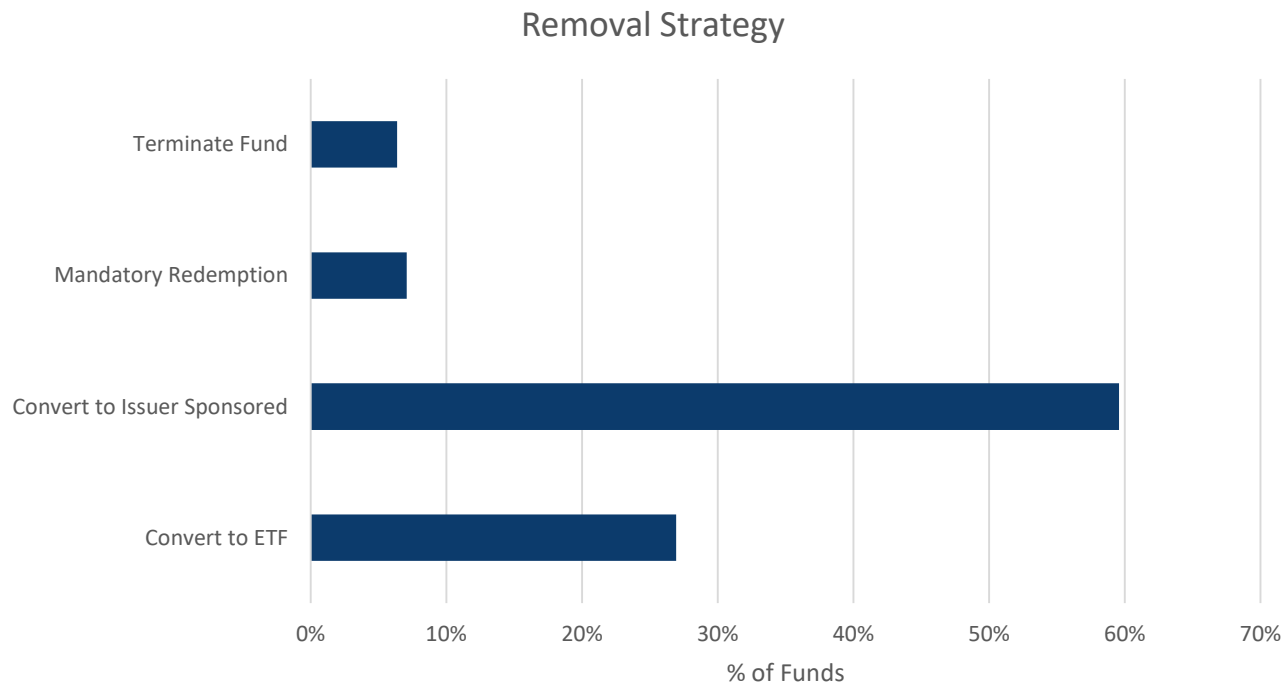
3. Key Dates for Issuers

What ASX needs from Issuers

Item	Notes	Deadline
1. Primary contact(s)	<ul style="list-style-type: none">Nominate a representative from each Issuer, PISP and Trading/Settlement Participant to liaise with ASX for the purposes of mFund closurePlease email details to mFund@asx.com.au	22 December 2023
2. Indicative strategy for your fund	<p>Strategy options</p> <ol style="list-style-type: none">Remove fund from mFund and convert unit holders to holding their units directly with issuerClose fund/unit class permanently and pay out unit holdersConvert to ETF<ol style="list-style-type: none">Complete <i>Preliminary Assessment Questionnaire</i> (ASX Online Resources Page)Attend Webinar Thursday 8th February <ul style="list-style-type: none">Please email details to ashley.parker@asx.com.au	Preliminary guidance by 29 February 2024
3. Target date/period for removal	<ul style="list-style-type: none">Liaise with your Registry to determine achievable target dates for removalPlease email details to ashley.parker@asx.com.au	31 March 2024

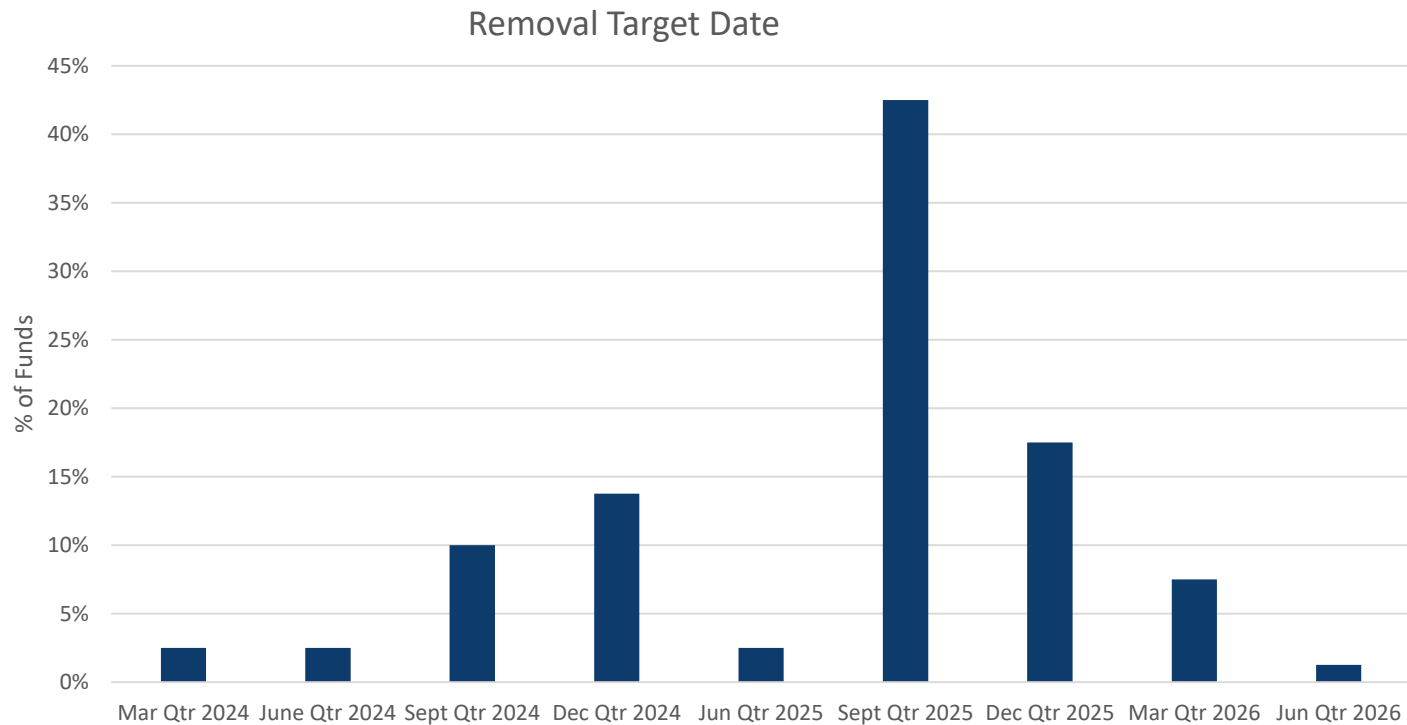
4. Emerging Trends

Removal Strategies



4. Emerging Trends

Removal Timeframe



5. Removals Process

mFund Removals Checklist

ASX has created a Removals Checklist template for REs/Issuers to use when requesting fund removal

- 1) Letter to ASX containing required information per the Checklist (up to 12 items):
 - ❖ Market Announcement dates
 - ❖ Removal dates
 - ❖ Blackout dates
 - ❖ Fund profile update
 - ❖ Whether unitholder approval is required
 - ❖ Whether AQUA Product Issuer status to be revoked
- 2) Market Announcement requirement
- 3) Issuer Responsibilities at time of removal

5. Removals Process

mFund Removals Checklist

mFund Product Removal Checklist	Issuer to insert
1. Issuer Name	[Please insert]
2. mFund Product Name and ASX code	[Please list all mFund Products to be removed]
3. Number of investors in each product	[Please insert]
4. Basis for removal	ASX's decision to terminate the mFund service
5. Proposed removal from mFund	[Insert date]
6. Blackout period (last application and redemption dates through mFund Settlement Service)	[Insert dates]
7. PISP adjustment of CHESS holdings to Nil	[Insert date]
8. mFund profile updating Fund Status to Closed to New Applications	[Insert date]
9. Market Announcement (to confirm removal date and blackout period lodged on ASX Online)	[Insert date]
10. If the fund is terminating, rights to terminate under the the fund's constitution	[If applicable, please insert reference]
11. Unitholder approval for the removal of products from mFund required	[Yes/No]
12. Revocation of AQUA Product Issuer required	[Yes/No]

6. Fee Relief Update

Please socialize fee relief policies with your Finance departments

- Inbound queries to ASX from stakeholders
- Published fees on ASX website to be updated by end of April
- Summary of mFund Fee Relief
 - Effective 1 January 2024, no fees charged for mFund services by ASX
 - Covers all mFund related fees charged by ASX to Issuers, PISPs & Trading & Settlement Participants
 - Line items on invoices will show \$0 balance
 - Some Line items have been removed
 - mFunds component removed from aggregated AQUA Product Issuer fees (eg. Annual FUM Fee, HIN Subscription fee)
 - Initial ETF admission fee to be waived for any fund converting to an ETF
 - The vast majority of fees have ceased to be charged but some CHESS related fees charged for January and February will require rebating. Credit Notes for these amounts to be issued in May.

7. Investor Details Update

Bulk messaging upload

- Original plan to update investor details via CHESM Messaging
- Volume of messages required is proving prohibitive
- Alternatives under consideration

8. AIIR Reporting

Registry reporting to ATO

- Annual Investment Income Report
- Clarification being sought from ATO of how PISPs to report unitholdings on transition from CHESM to Issuer Sponsored

9. Key contacts

Please email mFund@asx.com.au for general enquiries or to commence the removal process.

Alternatively, please contact any of the following team members if you have further questions.

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Questions & Other Business

