



Crestone Wealth Management Portfolio Service

INVESTOR DIRECTED PORTFOLIO SERVICE GUIDE FOR FINANCIAL INTERMEDIARY CLIENTS

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IDPS operator and custodian

Crestone Wealth Management Limited
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Table of contents

Section 1—The Crestone Wealth Management Portfolio Service	1	Section 5—Communication between you and the Portfolio Service	18
1.1 Key features of the Portfolio Service	1	5.1 Transactional reporting	18
1.2 Benefits of an IDPS	2	5.2 Regular reporting	20
1.3 Additional features and benefits of the Portfolio Service	3	5.3 Where you can get more information	21
1.4 Our policy for Clients who do not use the services of a Financial Intermediary	4	5.4 How you can contact the Portfolio Service	22
1.5 Specific risks involved in participating in an IDPS	4	Section 6—Fees and costs	23
1.6 Differences in your rights when participating in an IDPS	5	6.1 Fees and costs	24
Section 2—Features of the Portfolio Service	9	6.2 Example of annual Fees and costs you pay each year for a balanced investment option	26
2.1 Main features	9	Additional explanation of Fees	27
2.2 Cash management	9	6.3 Account opening Fees	27
2.3 Borrowing	10	6.4 Management costs	27
Section 3—Structure of the Portfolio Service	11	6.5 Transaction Fees	27
3.1 We are the IDPS Operator and Custodian	11	6.6 Miscellaneous Fees	28
3.2 How your Financial Products are registered	11	6.7 Cash Management Account	29
Section 4—Buying, holding and selling Financial Products	12	6.8 Taxation	29
4.1 What you need to commence investing	12	6.9 How Fees are paid	29
4.2 Financial Products that are available to you	12	6.10 Costs of Managed Funds	30
4.3 How we hold your Financial Products	13	6.11 Margin	32
4.4 How we settle your Transactions	13	6.12 Estimate of Fees for using the Portfolio Service	32
4.5 Investing in Managed Funds	14	6.13 Increases to and alterations of Fees	35
4.6 Investing in domestic securities	14	6.14 What your Financial Intermediary is paid	35
4.7 Investing in international securities	15	6.15 Financial Intermediary rebates	36
4.8 Investing in foreign currency	16	6.16 Payments of benefits to Crestone Wealth Management representatives	36
4.9 Investing in other Financial Products	16	Section 7—Taxation	37
4.10 Investing in Financial Products through a Margin Loan	17	7.1 Introduction	37
4.11 Transfer in of holdings	17	7.2 Absolute entitlement	37
		7.3 Financial Products are held as capital investments	37
		7.4 Income and capital gains	38
		7.5 Franked and unfranked dividends	39
		7.6 Unfranked dividends—'conduit foreign income' (CFI)	39
		7.7 Foreign income	39

7.8	Attributed income from a 'controlled foreign company' (CFC)	40
7.9	Tax deferred amounts	40
7.10	Capital gains	40
7.11	Interest	41
7.12	Other income	41
7.13	Non-AUD denominated Financial Products	41
7.14	Other events or circumstances	42
7.15	Pay as you go (PAYG) instalments	42
7.16	TFN withholding tax	42
7.17	Non-resident withholding tax	42
7.18	Goods and services tax (GST)	43
7.19	Investing in foreign Financial Products	43
7.20	Disposal of your Financial Products	43
7.21	Centrelink benefits	43
7.22	Stamp duty	44
7.23	Fees	44
7.24	Foreign Account Tax Compliance Act (US) (FATCA)	45
7.25	Common Reporting Standard	45
7.26	Third party reporting	46
Section 8	—More information about the IDPS	47
8.1	Our duties and responsibilities	47
8.2	IDPS Deed	49
8.3	Complaints resolution mechanism	49
Section 9	—Declarations	51
Section 10	—How to apply to be a Client of the Portfolio Service	52
Section 11	—How you can contact us	53
Section 12	—Definitions and interpretation	54
12.1	Definitions	54
12.2	Interpretation	57

Section 1

The Crestone Wealth Management Portfolio Service

1.1 Key features of the Portfolio Service

The Portfolio Service is an investor directed portfolio service (**IDPS**) which provides a simple, convenient, low cost investment reporting account for the management of your domestic and international Financial Products.

This IDPS Guide applies only to clients of a Financial Intermediary who have entered into an arrangement with us to access the Portfolio Service, and who have a FIM Custody and Reporting account (of which the Portfolio Service is an integral part).

If you are accessing our Portfolio Service through an Asset Advisory or Wealth Advisory account, you should refer to the *Crestone Wealth Management Investor Directed Portfolio Service Guide*.

Capitalised terms in this IDPS Guide are defined in section 12. References to **we, us** and **our** are to Crestone Wealth Management. References to **you** and **your** are to you as an investor through the Portfolio Service.

The key features of the Portfolio Service are:

- you keep control over all your investment decisions by instructing your Financial Intermediary about the investments you wish to make in Financial Products;
- the Financial Products you hold in the Portfolio Service are held in a bare trust structure for your beneficial ownership;
- we settle your Transactions and collect the investment income (for example, dividends, interest and Managed Fund distributions) for your Financial Products held in the Portfolio Service, and act on your behalf in any corporate actions;
- we provide you with quarterly consolidated reporting across your Portfolio;
- we relieve you of the need to handle all of the day-to-day paperwork, while still making sure that you receive the information that you require or that you have a right to by law; and
- you gain access to an extensive range of Financial Products including certain wholesale Managed Funds.

In addition to the IDPS, we can offer other products and services (to eligible Clients), such as dealing in the following Financial Products:

- domestic and international listed securities, over-the-counter fixed income securities and Managed Funds;
- multi-currency cash management and lending;
- listed or over-the-counter options, warrants and structured products; and
- capital market offers,

including dealing in Financial Products held outside the Portfolio Service: for example, where you provide them as collateral for a Margin Loan.

Section 1

The Crestone Wealth Management Portfolio Service

1.2 Benefits of an IDPS An IDPS pools the financial contributions of its investors and centralises all Transactions, to provide the following benefits:

Simplicity

An IDPS enables you to deal with only one contact for all your Financial Products in the IDPS. You do not need to become involved with the technical complexities and difficulties of managing individual Financial Products and collecting investment income in multiple markets, geographies, legal environments and different currencies.

Security

We, our sub-custodians or any downstream sub-custodians hold your domestic and international Financial Products for your beneficial ownership. This makes the loss of documents, missed investment income and missed corporate actions far less likely than if you try to keep your own records.

More Financial Products available to you

You can access an extensive range of Financial Products including certain wholesale Managed Funds that would generally not be available to individual retail investors, other than through an IDPS or similar services.

Cost savings

You can benefit from cost savings by accessing certain wholesale Managed Funds at lower upfront and recurring management fees than those that are generally available to individual retail investors.

Better advice from better information

You will receive a report covering all your Financial Products for each Account. This simplifies investment performance management and gives you and your Financial Intermediary the information that is needed to help manage and control your Portfolio.

Easier tax record keeping

Your record keeping will be made easier with our annual tax reporting, which will help you and your Financial Intermediary manage the complex and frequently changing income and capital gains tax regimes. By understanding the income tax and capital gains tax implications of specific Transactions and Financial Products, you may be able to enhance your Portfolio's after-tax performance.

Direct control

You have complete control over what you invest in. We will only act on the instructions that you give to your Financial Intermediary and which the Financial Intermediary provides to us or in accordance with the Account Opening documents.

1.3 Additional features and benefits of the Portfolio Service

The Portfolio Service is designed to provide the following features and benefits, in addition to our cash management services:

- through a single point of contact with your Financial Intermediary, you are able to access domestic and international markets. This includes access to domestic and international listed and over-the-counter Financial Products (including equity and fixed income securities) and interests in certain Managed Funds (some of which may be subject to eligibility requirements);
- having made a decision to buy or sell, you can choose to use your Account to settle your Transactions—this may include using your Cash Management Account;
- you have sole discretion to direct us (through your Financial Intermediary) to buy or sell Financial Products. You also have discretion to decide when the sale may take place;
- we will transfer, hold and report on your interests in your Account. If you have Financial Products to transfer in to your Account, we will, as part of the transfer process, work with you to identify the book-cost details for each of the underlying Transactions that are represented within your Portfolio;
- you can advise us through your Financial Intermediary, in advance, of standing instructions about corporate actions—for example, dividend reinvestment plans and the receipt of issuer documentation such as annual reports. We will contact you through your Financial Intermediary to advise you of any key decisions you need to make;
- once the Financial Products in your Portfolio have been registered in our name (or in the name of our sub-custodians or any downstream sub-custodians), we will receive all communications that an issuer sends about your Financial Products—freeing you of the burden of managing the paperwork. We will provide you with the key legal disclosures that are required;
- your Portfolio may be held in one or more separate Accounts to reflect the desired ownership and economic interest structures; and
- you may receive consolidated reports about all your interests in Financial Products that are bought or held through the Portfolio Service. These reports will be separated into individual Accounts representing your preferred structure, and will be consolidated if you require.

If you are a Retail Client, there may be certain products and services that we determine are not available for you to access.

The Portfolio Service is not a registered managed investment scheme but is operated as an IDPS under ASIC Class Order 13/763.

Section 1

The Crestone Wealth Management Portfolio Service

1.3 Additional features and benefits of the Portfolio Service (cont.)

Your Account will include Financial Products that are not issued by us but by the respective Financial Product's issuer or fund manager. There are investment risks associated with these Financial Products and neither we, nor any other Crestone Company, guarantee the performance of the Financial Products or the return of capital.

1.4 Our policy for Clients who do not use the services of a Financial Intermediary

We will not give you any Financial Product Advice that is Personal Advice. You should contact your Financial Intermediary for any Personal Advice that you need.

To continue using the Portfolio Service under this IDPS Guide, you need to be:

- a FIM Custody and Reporting account holder; and
- a client of a Financial Intermediary who has an arrangement with us that enables them to access the Portfolio Service.

If you stop being a client of your Financial Intermediary, you will no longer have access to the Portfolio Service and we may cease to accept instructions from you through your Financial Intermediary and close your Account in accordance with the Relationship Terms.

In those circumstances, you authorise us to take all necessary steps to either:

- transfer your Financial Products to you (or your nominee); or
- sell or otherwise dispose of your Financial Products at the prevailing available market price and pay the proceeds to you, after deducting any amounts you owe us.

We will do so as soon as reasonably practicable. We can provide a copy of this policy (free of charge) on request.

1.5 Specific risks involved in participating in an IDPS

In addition to the risks associated with investing in general (as outlined in our FSG), there are specific risks involved in participating in an IDPS. The primary risks of investing in an IDPS relate to the IDPS operator and/or the IDPS custodian failing to perform duties and tasks as required. In the case of the Portfolio Service, we are both the IDPS operator and the IDPS custodian.

1.5 Specific risks involved in participating in an IDPS (cont.)

The risks may include our failure to:

- effectively segregate your Financial Products into your nominated Accounts, which could result in a loss of income or capital, or both. Effective reconciliation and external audit reporting every year provide strong management of this risk;
- adequately protect title to your Financial Products, which could result in a loss of income or capital, or both. The careful selection and appointment of sub-custodians provide strong management of this risk; and
- act in response to corporate actions. We (or our agents) receive all information relating to your Financial Products and it is possible that the distribution of information might result in a minor delay—which in turn could result in a delay in advising you about corporate actions. However, the fact that you can give all your instructions to your Financial Intermediary (rather than separately to each issuer) may reduce this delay.

1.6 Differences in your rights when participating in an IDPS

The law requires us to show you the main differences between holding your Financial Products through an IDPS as opposed to you holding them directly in your name:

	Direct investment	Using an IDPS
Range of investments	Generally, no access to wholesale Managed Funds (if you are an individual investor). Other asset classes unchanged.	Allows access to certain wholesale Managed Funds generally at a lower cost relative to retail Managed Funds available to individual investors. Other asset classes unchanged.
Investment process	You must complete application forms for each Managed Fund and other Financial Product that may require an application form.	IDPS Operator will complete application forms in accordance with your instructions.

Section 1

The Crestone Wealth Management Portfolio Service

1.6 Differences in your rights when participating in an IDPS (cont.)

	Direct investment	Using an IDPS
Acquisition of new Financial Products	You may have to supply TFN or ABN and bank account details to share registries on each Financial Product .	You provide TFN or ABN details once only to the IDPS Operator.
Financial Product documentation	All Financial Product documentation is provided directly to you to analyse, review and process.	All Financial Product documentation is provided through the IDPS. You do not usually have the right to receive all documentation. Only communications that the law requires will be sent to you. You may ask for annual reports, notices of annual meetings and other communications that the law does not require us to give you. If you do, an administrative charge may apply.
Reporting	Individual holding statements are provided by each issuer or fund manager.	Consolidated reporting , with market valuations is provided. An annual statement providing a year end summary is also included with information to assist with your tax return.
Transfer costs	No transfer costs apply if beneficial ownership does not change.	No transfer costs apply if beneficial ownership does not change.

1.6 Differences in your rights when participating in an IDPS (cont.)

	Direct investment	Using an IDPS
Beneficial ownership	You are the registered legal and beneficial owner.	You are the beneficial owner. Crestone Wealth Management (or our sub custodians or any downstream sub-custodians) is the registered legal owner of your Financial Products.
Withholding taxes	Withholding taxes are deducted by security issuer for you to track .	Withholding taxes may be deducted by certain security issuers and you will be advised of this in your reporting from us .
Confirmations and statements	Mailed to you at your registered address.	Sent to you at your registered email address or, if you have not provided an email address, mailed to you at your registered address.
Shareholder benefits	Shareholder benefits and offers are available to registered holders .	Some shareholder benefits and other offers may not be available : for example, attendance at meetings (see below).
Delays in distributions and corporate actions	You are responsible for follow-up.	We are responsible for following up for registered Financial Products. For our policy on corporate actions—see section 5.1.
Cooling off rights	You have cooling off rights and can return certain Financial Products to the issuer for a refund (less certain costs and subject to market movements) during the cooling off period.	You do not have cooling off rights. You should take particular care when you invest in Financial Products with limited liquidity.

Section 1

The Crestone Wealth Management Portfolio Service

1.6 Differences in your rights when participating in an IDPS (cont.)

	Direct investment	Using an IDPS
Voting, attendance at meetings, proxies	You may attend and vote at meetings.	You do not have the right to attend and vote at meetings. We do not attend or vote at meetings on your behalf. We may, if you ask, establish temporary arrangements to allow you to attend and vote at meetings. We can give you our policy about voting on your Financial Products (free of charge) if you ask for it.
Withdrawal rights	You may be able to redeem, close out or sell your Financial Products, subject to the terms of the Financial Product. You also have the right to withdraw from a Financial Product if certain events occur after you invest—for example, if minimum applications are not received, the Financial Product fails to become listed or the disclosure document becomes defective before the product is issued.	You may be able to redeem, close out or sell your Financial Product, subject to the terms of your Financial Product. We will give you details of events that give you the right to withdraw as if you were a direct investor when we receive notification of an event from the relevant Financial Product issuer. We will ask for your instructions about exercising your right to withdraw if these events occur.
Dispute resolution rights	If you are a Retail Client, you will have access to the internal and external dispute resolution mechanisms of the product issuer.	You will only have access to the Financial Product issuer’s dispute resolution mechanisms if the issuer agrees to give you access to them.

Section 2

Features of the Portfolio Service

2.1 Main features

The Portfolio Service has the following features:

- access to, an extensive range of Financial Products including:
 - domestic and international listed securities, over-the-counter fixed income securities and Managed Funds;
 - listed or over-the-counter options, warrants and structured products;
 - foreign exchange spot and forward contracts; and
 - capital market offers;
- access to multi-currency Cash Management Accounts available for the automatic processing of your Transactions—including settlement of Transactions, receipt of investment income and participation in corporate actions;
- access to, and services relating to, Margin Loans;
- custody and reporting of your Financial Products;
- consolidated quarterly holdings and valuation reports across your Accounts;
- quarterly reporting which includes:
 - Portfolio Holdings and Valuation;
 - Cash Management Account Statement; and
 - Provisional Tax Information.
- annual reporting which includes:
 - Portfolio Holdings and Valuation;
 - Cash Management Account Statement; and
 - Annual Tax Statement.

2.2 Cash management

Although your Cash Management Account does not form part of your Portfolio, it is central to the operation of the Portfolio Service.

You must have a Cash Management Account in Australian dollars and you can also have Cash Management Accounts in a range of approved foreign currencies.

Section 2

Features of the Portfolio Service

2.2 Cash management

(cont.)

Your Cash Management Account facilitates the cash transactions that take place on your Account, including by:

- allowing settlement of your Transactions to buy and sell Financial Products to take place through automatic crediting to or debiting from your Cash Management Account once the Transaction is executed for you. Confirmations for all Transactions will be provided;
- receiving your investment income (for example, dividends, interest and Managed Fund distributions) through automatic crediting to your Cash Management Account as we receive the investment income; and
- allowing the payment of Fees and costs through automatic debiting to your Cash Management Account. Tax invoices for the assets under management fee that we charge you will be provided.

Your Cash Management Account movements and balances will be reported within your regular reporting. You will have access to reporting via our online client portal which is updated daily to enable you to view daily movements on your Cash Management Account.

2.3 Borrowing

We do not offer lending products as part of the Portfolio Service. However, if you have entered, or are eligible to enter, into a Margin Loan and we agree to link it, for operational and administrative purposes, to your Account, we can provide you with dealing services in relation to the Margin Loan. For example, we may provide Transaction instructions in relation to Financial Products held outside the Portfolio Service as collateral for your Margin Loan. You should contact your Financial Intermediary about any advice that you need regarding a Margin Loan.

If you wish to provide any Financial Products in your Account as collateral against your Margin Loan, you will need to withdraw those Financial Products from your Account and transfer them in accordance with the Lender's instructions. Financial Products that you provide as collateral for your Margin Loan will not be held in the Portfolio Service and the terms on which those Financial Products will be held will be determined by the Lender.

If you are a Retail Client and you borrow money to invest in Financial Products, whether or not under a Margin Loan, you must tell us immediately. In this case, we may review or change the service offering that we provide you. For example, we may decide to not accept instructions from you to buy Financial Products or we may take other actions available to us under the terms of your Account.

Section 3

Structure of the Portfolio Service

3.1 We are the IDPS Operator and Custodian

We are the IDPS Operator and Custodian of the Portfolio Service. This means that we (or our sub-custodians or any downstream sub-custodians) will hold the Financial Products in your Portfolio on trust for you.

As Custodian, we act on your instructions. We will not initiate the purchase or sale of Financial Products in your Portfolio except in accordance with:

- your specific instructions;
- your standing instructions;
- instructions that are relayed through your Financial Intermediary; or
- the Account Opening documents.

We may appoint sub-custodians such as banks, depositories or other institutions in relation to the Portfolio Service. If you are a Retail Client, we will provide you with written notice of the identity of, and contact information for, each sub-custodian. We will do this before arranging for any of the Financial Products in your Portfolio to be held by another person if it is practicable to do so, and in any event, before the Financial Products are actually held by the sub-custodian.

3.2 How your Financial Products are registered

The Financial Products in your Portfolio will be registered in our name, or in the name of sub-custodians that we appoint (or any downstream sub-custodians).

At all times, your beneficial ownership in these Financial Products is recorded and available for review.

If the law requires us to do so, we will disclose your beneficial ownership of these Financial Products.

If you are a Retail Client, we will ensure that the Financial Products held in your Portfolio do not become subject to any security interest, mortgage, lien or other encumbrance, unless it is for any expenses or liabilities (other than our unpaid Fees) that we refer to in this IDPS Guide or Account Opening documents or in accordance with your written instructions.

Section 4

Buying, holding and selling Financial Products

4.1 What you need to commence investing

To buy, hold or sell Financial Products under the Portfolio Service, you must have an Account open with us. When we open an Account for you, a Cash Management Account in Australian dollars will automatically be opened. If you choose to hold money in an approved foreign currency (including by transferring money in a foreign currency into your Account or if one of the Financial Products in your Account pays interest or a distribution in a foreign currency), we will also open a Cash Management Account in that foreign currency for you.

Once your Account and your Cash Management Account are opened, you may transfer your existing Financial Products and cash into those accounts and commence giving instructions to carry out Transactions in Financial Products. There may be some limited restrictions on the Financial Products that we can hold in the Account—generally determined by our sub-custodians' or their downstream sub-custodians' ability to hold and value those Financial Products.

4.2 Financial Products that are available to you

Together with your Financial Intermediary, you choose the Financial Products to be held in your Portfolio from an extensive range, including:

- domestic and international listed securities, over-the-counter fixed income securities and Managed Funds;
- listed or over-the-counter options, warrants and structured products;
- foreign exchange spot and forward contracts; and
- capital market offers.

Our internal Investment Product Committee (**IPC**) and its delegates decide the range of available Financial Products.

The IPC meets periodically (at least twice a year) to determine the criteria that will be used for selecting available Financial Products. The criteria that the IPC adopts will vary for different categories. Some Financial Products will be included by reference to broad criteria (for example, types of securities listed on a particular exchange), while others will be assessed individually (for example, Managed Funds). This will involve an assessment of a range of factors—which may include the identity of the issuer, investment risk, liquidity, availability of independent research and any rating given to the product.

4.2 Financial Products that are available to you (cont.)

The list of available Financial Products is extensive and includes those that are issued by a variety of entities across a range of domestic and international markets using various different legal forms. We can give you a separate document that lists which Financial Products are available under the Portfolio Service (free of charge), if you ask for it. Retail Clients may not be able to access some Financial Products.

We manage any potential conflicts associated with making a Financial Product available through the Portfolio Service in accordance with our IDPS Conflicts Policy. In particular, the policy addresses relevant relationships with product issuers and related parties. We can give you a copy of our IDPS Conflicts Policy (free of charge) if you ask for it.

4.3 How we hold your Financial Products

Any Financial Products that we purchase on your behalf or that you transfer into your Account will be held in trust for you in our name (or in the name of our sub-custodians or any downstream sub-custodians). You will have the beneficial interest in any Financial Products that are bought on your instructions and held in the Portfolio Service and the registered legal owner (that is, us or our sub-custodians or any downstream sub-custodians) will hold the legal title to the Financial Products.

4.4 How we settle your Transactions

We will settle your Transactions by:

- buying Financial Products for your Account and debiting your Cash Management Account or drawing funds from your Margin Loan, in the case of purchases; or
- selling Financial Products from your Account and crediting your Cash Management Account or paying down your Margin Loan, in the case of sales.

The Account Terms and Conditions describe our procedures if you do not have enough funds available for a Transaction (including available funds in your Cash Management Account or funds available to be drawn down from your Margin Loan).

Once your order has been executed, we will send a confirmation to your email address or by other electronic means. If you have not given us an email address, we will send the confirmation to your mailing address or by facsimile. For more details on transactional reporting—see section 5.1.

Section 4

Buying, holding and selling Financial Products

4.5 Investing in Managed Funds

Before you invest in a Managed Fund, you must read the relevant disclosure documents. Your Financial Intermediary can give these to you.

If you decide to go ahead with an investment, you may authorise your Financial Intermediary to act on your behalf. You may do this in the manner you have agreed with your Financial Intermediary.

We will generally only make the application, or arrange for it to be made, if there are enough funds in your Cash Management Account or sufficient funds available to be drawn down from your Margin Loan.

If you wish to sell an interest you hold in a Managed Fund, you will need to instruct your Financial Intermediary to redeem the interest on your behalf. We will credit funds to your Cash Management Account when we receive them or use them to pay down your Margin Loan.

The timing and processing of the redemption of an interest in a Managed Fund are subject to the redemption policy of the relevant fund manager, as outlined in the relevant disclosure documents. Therefore, it may not be immediate.

If you hold an interest in a Managed Fund which becomes illiquid, we will not be able to redeem your interest—unless the fund manager of that Managed Fund makes a withdrawal offer. For more details, see the relevant disclosure document for the Managed Fund.

4.6 Investing in domestic securities

To buy or sell domestic securities through the Portfolio Service, which includes securities listed on ASX or Chi-X (including options and warrants) and over-the-counter fixed income securities, you may authorise your Financial Intermediary to arrange the execution of a Transaction through your Account. You may do this in the manner you have agreed with your Financial Intermediary.

It is your obligation to ensure sufficient funds are available either in your Cash Management Account, or to draw down from your Margin Loan for your Transaction by the settlement date, which is generally disclosed in the confirmation we provide you, or such other date that we tell you.

In some instances, you may be invited to participate in capital markets offers of domestic securities which include: Initial Public Offers, institutional placements, listed hybrid offers and corporate bond offers. The process is generally operated through a bookbuild arranged by the issuer in which we are invited to participate on behalf of our clients. More information about bookbuild processes is set out in the Account Terms and Conditions.

4.6 Investing in domestic securities

(cont.)

If you are eligible to participate, we will provide you with information on how the bookbuild will occur and provide you access to the relevant disclosure documents.

Capital market offers have a range of settlement periods ranging from two days to several weeks. It is your obligation to ensure sufficient funds are available in your Cash Management Account, or to draw down from your Margin Loan, for your allocation by settlement date. We will provide you with a confirmation shortly after your allocation is known so you can make arrangements to have sufficient funds available either in your Cash Management Account, or to draw down from your Margin Loan.

4.7 Investing in international securities

The procedure for investing in international securities is similar to the procedure for domestic securities.

Depending on local market practice and regulatory requirements, you may need to sign additional documents to be able to invest in international Financial Products. For example, to trade in US Financial Products, you must give us a US Internal Revenue Service W8 or W9 form before you make any investment. Your Financial Intermediary will give you these forms if necessary.

The settlement of your Transactions, receipt of your investment income in a foreign currency and payment of Fees will be made into or from your Cash Management Account or Margin Loan account—unless we agree to a different arrangement.

You may elect to have a Cash Management Account in Australian dollars only and, if so, we will convert Australian dollars into the foreign currency required for settlement of purchases of international securities and exchange any foreign currency income into Australian dollars and credit this to your Cash Management Account. Alternatively, if you have a Cash Management Account in an approved foreign currency, which is the currency in which the income is denominated, we will credit the investment income directly into your Cash Management Account in that foreign currency or we may debit amounts in that foreign currency from that Cash Management Account that are required to settle Transactions where relevant.

We may provide access to international capital market offers on a similar basis as set out in section 4.6. However, there may be specific instructions on how to deal with a foreign jurisdiction and the foreign currency element of the settlement proceeds.

Section 4

Buying, holding and selling Financial Products

4.8 Investing in foreign currency

If you choose to have Cash Management Accounts in multiple currencies, you can trade in foreign exchange spot contracts and hold money in approved foreign currencies. If you have a Margin Loan, you will need to confirm whether the Lender will allow you to trade in foreign exchange spot contracts and hold money in foreign currencies before you trade on your Margin Loan account. Your Financial Intermediary can provide further information concerning both the foreign currencies available for Cash Management Accounts and (if you have a Margin Loan) whether the Lender will allow you to trade foreign exchange spot contracts and hold money in foreign currencies.

If you have a Margin Loan, you may also be able to enter into foreign exchange forward contracts subject to the Lender's collateral and custody arrangements. These contracts are held outside the Portfolio Service. Your Financial Intermediary can tell you whether you are eligible to trade foreign exchange forward contracts and whether you have to enter into any special arrangements or agreements in order to buy, hold and sell these contracts.

4.9 Investing in other Financial Products

There is a range of Financial Products that you may access that are not listed securities, over-the-counter fixed income securities or Managed Funds. These other Financial Products include certain warrants and structured products. The procedure for investing in these Financial Products will depend on the issuer and will most likely require special arrangements. Please ask your Financial Intermediary.

As there is no automated information service for these types of Financial Products, we are only able to operate on a reasonable endeavours basis for interest, dividends, distributions and corporate actions advice.

4.10 Investing in Financial Products through a Margin Loan

You may ask your Financial Intermediary to buy or sell Financial Products through your Margin Loan subject to those Financial Products being able to be held under the Lender's custody arrangements. Your Financial Intermediary can then pass on these instructions to us for execution and your Transactions will be settled with the Lender.

Subject to the Lender's collateral arrangements, you may also instruct your Financial Intermediary to deposit funds borrowed under a Margin Loan into your Cash Management Account and transact in Financial Products that will be held in the Portfolio Service.

You should also read and be aware of the disclosure documents, terms and conditions, mortgage and other specific documentation and disclosure relating to the Margin Loan, before this arrangement starts.

4.11 Transfer in of holdings

When you open an Account, we will ask you to complete either:

- the appropriate security transfer forms for each Financial Product that you wish to transfer into the Portfolio Service; or
- a limited power of attorney that would allow us to complete the paperwork on your behalf.

Section 5

Communication between you and the Portfolio Service

5.1 Transactional reporting

To make sure that you are fully informed of all Transactions that occur in your Account and movements in your Cash Management Account, we will give you the following reports:

Domestic listed securities and over-the-counter fixed income securities

We will buy and sell securities on the relevant exchange or through an over-the-counter Transaction on your instructions. When we receive confirmation of any executed Transactions of yours from our trading counterparties, we will send a confirmation—generally within 24 hours after your Transaction is executed. Your Transaction will also be shown in the Portfolio reporting we give you. Where settlement takes place via your Cash Management Account, the debiting or crediting of funds on settlement will also be reported in your Cash Management Account which forms part of your Portfolio reporting.

International listed securities and over-the-counter fixed income securities

As with domestic listed securities and over-the-counter fixed income securities, we will send a confirmation, generally within 24 hours after any Transaction of yours is executed. Where the Transaction is to be settled through your Cash Management Account, the settlement amount will be converted to Australian dollars and settled through your Australian dollar denominated Cash Management Account—unless you have a Cash Management Account in the relevant foreign currency or other special arrangements have been agreed. The debiting or crediting of funds on settlement will also be reported in your Cash Management Account which forms part of your Portfolio reporting.

Managed Funds

We will apply for and redeem investments in Managed Funds on your instructions. When we receive a confirmation about any Transaction of yours, we will send you a confirmation. This will usually be within 14 days after completion of a Transaction—however, some Managed Funds may take longer than this.

Your Transaction will also be shown in the Portfolio reporting we give you. Where settlement takes place via your Cash Management Account, the debiting or crediting of funds on settlement will also be reported in your Cash Management Account which forms part of your Portfolio reporting.

5.1 Transactional reporting (cont.)

Other Financial Products

The process for reporting Transactions in relation to Financial Products held in your Portfolio that are not listed securities, over-the-counter fixed income securities or Managed Funds (for example, over-the-counter warrants and structured products) depends on the arrangements we make with you and the issuer to transact in and settle Transactions in relation to these Financial Products. They may not always be able to be held in custody and in some instances may be held directly with the issuer. The arrangements for settlement and confirmation will be specific to each type of Financial Product and generally stated in the documentation required to purchase the Financial Product.

Corporate actions

Sometimes, a company or Managed Fund in which you have invested may require the members of the company or Managed Fund to agree to certain changes, or to consent to certain actions—for example, changing the capital structure, or if the company or Managed Fund is the subject of a takeover. These are known as corporate actions.

Corporate actions fall into two general categories—mandatory and voluntary.

Mandatory corporate actions (such as the issue of bonus shares or the reconstruction of capital) will be reflected in your Quarterly Client Statement.

Voluntary corporate actions in relation to Financial Products held in your Portfolio (such as rights issues and takeovers that require direction from you) will require an instruction from you. We will tell your Financial Intermediary of any voluntary corporate actions either in writing or electronically, give you the documentation that the law requires us to give you and seek your instructions through your Financial Intermediary.

Interest, dividends, dividend reinvestment plans and Managed Fund distributions

Cash interest, dividends, and Managed Fund distributions in relation to Financial Products held in your Portfolio will be credited automatically to your Cash Management Account—generally within a few days after we receive the funds.

This will be detailed in the reporting for your Cash Management Account and your Quarterly Client Statement (or other statements) and summarised in your Annual Tax Statement.

If we have participated on your behalf in dividend reinvestment plans, these will be shown in your Quarterly Client Statement and Annual Tax Statement.

Section 5

Communication between you and the Portfolio Service

5.1 Transactional reporting (cont.)

Your Annual Tax Statement will summarise the various taxation components received from Managed Fund distributions into your Portfolio for the financial year. Details of the various components, such as franked and unfranked dividends and capital gains, can only be provided when we receive the annual taxation statements from the various fund managers.

We will distribute these statements as information becomes available, and your Annual Tax Statement will be distributed by the end of September each year—although late tax distributions may still not be available and reported. For more details—see section 5.2.

If we have participated on your behalf in a distribution reinvestment plan, you may not have received the most current disclosure document for the particular Financial Product when the additional holding is acquired under the distribution reinvestment plan.

5.2 Regular reporting

The Portfolio Service will give you the information listed below. Where your Financial Products are held as collateral for a Margin Loan, we may provide information on your holdings and Transactions in the below reports. The Lender will separately provide you with periodic statements and tax reporting in accordance with your arrangements with them. The content of the reports we give you may change if taxation reporting requirements change.

Quarterly Client Statement

The Quarterly Client Statement is produced at each calendar quarter, to help you complete your Business Activity Statement or Instalment Activity Statement return, as applicable. It includes the following components:

- Portfolio Holdings and Valuation by asset class;
- details of all Transactions—securities on cash movements;
- Provisional Tax Information including—realised capital gains and losses and income earned and expenses incurred.

Annual Tax Statement

In addition to the Quarterly Client Statement, we will give you an Annual Tax Statement. The timing of the reports is difficult to forecast as it depends on tax allocation information from Managed Funds being given to us.

If this information is not available within three months from the close of the financial year, an interim report will be produced, and a final report will follow once all details are available. The following information is provided:

5.2 Regular reporting

(cont.)

- all securities schedules—showing details about income you have received and expenses incurred during the financial year (for example, interest, dividends and Managed Fund distributions);
- capital gains or losses including:
 - the details of Transactions and assessable capital gains or losses under Australian tax law; and
 - an estimate of the assessable capital gains or losses that would apply if the positions were liquidated at the then market price.

Annual audit and report

Within three months after the end of each financial year, we will provide you with an audit report prepared by a registered company auditor.

This will state that the auditor has performed the tests and procedures that are necessary to give reasonable assurance that:

- our accounting procedures and internal controls, or those of the sub-custodians we appoint and any other relevant person acting on our behalf, were designed and operated effectively to make sure that individual Clients' annual reports generally have not been materially misstated; and
- the total assets (other than assets held directly by the Client), liabilities, revenue and expenses shown in the Clients' annual reports have been properly reconciled to the corresponding amounts shown in the financial records that we keep as Custodian.

This report will also set out the auditor's opinion as to whether or not the auditor has any reason to believe that any Client's annual report is materially misstated.

5.3 Where you can get more information

Any investor in the Portfolio Service may ask for a copy of all communications that the law requires us to give to people who directly hold Financial Products that are part of the Portfolio Service and that we hold on trust for investors. In some cases, we may charge for providing any of those communications.

Section 5

Communication between you and the Portfolio Service

5.4 How you can contact the Portfolio Service

Your Financial Intermediary is your single point of contact for the Portfolio Service. You may also contact Crestone Wealth Management at the addresses on the back cover of this IDPS Guide.

Section 6

Fees and costs

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 percent of your account balance, rather than 1 percent could reduce your final return by up to 20 percent 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 services justify higher Fees and costs. You may be able to negotiate to pay lower Fees. Ask your Financial Intermediary about this.

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 ASIC website (www.moneysmart.gov.au) has a fee calculator to help you check out different fee options.

General information about Fees and costs

This section 6 sets out the Fees and costs you may be charged. The Fees and costs may be deducted from your money (including money held outside the Portfolio Service where you have provided appropriate authorisation), from the returns on your Assets Under Management, or from the Financial Products in the Portfolio Service as a whole.

You have two different Fee payment options:

- Option 1 involves higher management costs with no Transaction Fees; and
- Option 2 involves lower management costs with Transaction Fees payable.

For more information on these options—see section 6.4 and our FSG.

You should read all the information about Fees and costs because it is important that you understand how they affect your Assets Under Management.

The total Fees and costs payable by you will include the costs of the Portfolio Service as well as the cost of any Financial Products chosen by you. It is important that you understand the costs of any Financial Products that you choose, and that those costs are in addition to the Fees we charge for the Portfolio Service, and costs specific to your Account that we may incur on your behalf.

The costs of the Financial Products you choose will generally be set out in the disclosure documents for the Financial Products or in the Fees and costs schedule we give you when you open an Account with us.

The information in this section 6 applies only if you have a FIM Custody and Reporting account through a Financial Intermediary who has a current arrangement with us to access the Portfolio Service. If you stop using the services of your Financial Intermediary you will no longer be able to access the Portfolio Service. Additional Fees and costs may apply if there are any delays in closing your Account.

If you are thinking about not using the Portfolio Service any more, please contact your Financial Intermediary to find out how this will affect your Account.

Information about taxes is set out in section 7.

Section 6

Fees and costs

6.1 Fees and costs

Service

Type of Fee or cost	Amount	How and when Fees are paid
Fees when your money moves in or out of the Portfolio Service		
Establishment fee The fee to open your Account	Nil	N/A
Contribution fee The fee on each amount contributed to your Account	Nil	N/A
Withdrawal fee The fee on each amount you take out of your Account	Nil	N/A
Exit fee The fee to close your Account and withdraw your Portfolio	Nil	N/A

6.1 Fees and costs

(cont.)

Type of Fee or cost	Amount		How and when Fees are paid
Management costs—assets under management fee			
The Fees for managing your Assets Under Management	Option 1— to pay no Transaction Fees 0.11%—1.10% including GST of your Assets Under Management	Option 2— to pay Transaction Fees 0.11%—0.88% including GST of your Assets Under Management	Deducted from your Cash Management Account monthly in arrears. This fee may be negotiable—see section 6.13
Service Fees¹			
Switching fee The fee for switching between Financial Products	Nil. However, you may have to pay Transaction Fees and costs relating to the underlying Financial Products held in the Portfolio Service.		N/A

Note:

1. For more details about the Transaction Fees and underlying Financial Product costs that may be charged—see sections 6.5 and 6.10.

Section 6

Fees and costs

6.2 Example of annual Fees and costs you pay each year for a balanced investment option

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

**EXAMPLE—
Option 1**

Balance of \$50,000 with a contribution of \$5,000

Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS management costs ¹	1.0% (plus GST)	And, for every \$50,000 of Assets Under Management you have in, or linked to, an Option 1 account, you will be charged \$550 each year (including GST).
EQUALS cost of an Option 1 account		<p>If you had an investment of \$50,000 at the beginning of the financial year and you put in an additional \$5,000 during that year, you would be charged Fees of from:</p> <p>\$550—\$578 (including GST)</p> <p>What it costs you will depend on the option and Financial Products you choose, the Transactions you carry out and the Fees you negotiate.</p>

Note:

1. This reflects management costs only as they are described in the table at section 6.1 and additional Fees may also apply—see sections 6.3 to 6.6.

Additional explanation of Fees

6.3 Account opening Fees

You must have a FIM Custody and Reporting Service account to use the Portfolio Service described in this IDPS Guide. There are no Fees to pay on opening an Account.

6.4 Management costs

The management costs for the Portfolio Service are incorporated into the assets under management Fee for your Account.

The amount of your assets under management fee will differ depending on which of the following two fee options you choose:

- Option 1 involves higher management costs with no Transaction Fees; and
- Option 2 involves lower management costs with Transaction Fees.

This assets under management fee is deducted from your Cash Management Account monthly in arrears as explained below and also in our FSG.

Option 1

Depending on the value of your Assets Under Management, an annual assets under management Fee of up to 1.0 percent (plus GST) of the value of your Assets Under Management will be charged monthly in arrears, according to the daily balance of the Assets Under Management. A minimum Fee of \$1,500 (plus GST) a quarter may apply.

Option 2

Depending on the value of your Assets Under Management, an annual assets under management Fee of up to 0.8 percent (plus GST) of the value of your Assets Under Management will be charged monthly in arrears, according to the daily balance of the Assets Under Management. A minimum Fee of \$1,000 (plus GST) a quarter may apply.

For Option 2, Transaction Fees (including minimums) will also apply—see section 6.5.

6.5 Transaction Fees

If you select Option 2, Transaction Fees will apply. The Transaction Fees charged are generally called brokerage and are charged in addition to the assets under management Fee.

Transaction Fees are deducted from settlement amounts per Transaction. They are explained below and also in our FSG.

Section 6

Fees and costs

6.5 Transaction Fees

(cont.)

Transaction Fees range between 1.0 percent to 1.5 percent (plus GST) of the value of the Transaction. Minimum standard Fees of \$100 (plus GST) per Transaction may apply.

A minimum Transaction Fee of \$125 (plus GST) will apply to all domestic listed security Transactions except for exchange traded options where the minimum Transaction Fee will be \$100 (plus GST).

6.6 Miscellaneous Fees

The following Fees will apply whether you have selected Option 1 or Option 2:

- miscellaneous and local market charges may be incurred on each Transaction in international Financial Products, depending on the exchange the Financial Product is traded on (if any) and the size of the trade. These charges generally range between 0.01 percent and 0.10 percent of the value of the Transaction and may be subject to a minimum amount;
- if we arrange settlement of any foreign currency Transactions in Australian dollars or the execution of a foreign exchange spot or forward contract, we may earn a margin of up to 1.0 percent, which may be included into the relevant conversion exchange rate. The margin may depend on the interbank spot exchange rate, the volatility of foreign exchange markets and the size and currency of the Transaction;
- depending on the type of Financial Product, stamp duty may have to be paid on certain Transactions involving your Financial Products. We will pass on to you any stamp duty that we incur on such Transactions and this will be shown on your confirmations. In addition, there is a \$50 administration Fee where stamp duty is payable on domestic Managed Fund Transactions;
- other third party costs may have to be paid, for example, where you request an early or extended period for the settlement of Transactions (the amount of this Fee will depend on the mark-to-market and exchange costs), where you transfer domestic Managed Funds into and out of your Account (in which case there is a \$25 Fee), where you request a non-standard period for a term deposit (in which case there may be a \$42.50 Fee) or where we arrange the settlement of a Transaction to the Lender of your Margin Loan (in which case there may be a Fee of up to \$50). Certain other costs are also noted in section 2.4 of the FSG; and
- you will need to pay the Fees charged to us by our providers of execution, clearing and settlement services, and which we pass on to you in relation to your Transactions in international Financial Products. These Fees generally range between 0.01 percent and 0.30 percent of the value of the Transaction and may be subject to a minimum amount.

6.6 Miscellaneous Fees (cont.)

Further information is contained in the 'Fees and Costs Schedule' we give you when you open an Account with us and which we will give you if you ask for it. The exact cost of your Transactions will be disclosed to you in your Transaction confirmations. These Fees may also be waived in certain limited circumstances.

There may also be statutory taxes (such as financial transaction taxes), duties or levies applied to your Transactions, which will be shown on your tax invoice for confirmations.

6.7 Cash Management Account

We do not charge any additional Fees on the balance held in your Cash Management Account.

The Australian bank which holds the deposit account to which your Cash Management Account is attributable, may also charge you Fees in certain circumstances, in particular for the transfer of funds. More information on these Fees is contained in the 'Fees and Costs Schedule' we give you when you open an Account with us and which we will give you if you ask for it. We may separately agree with the Australian bank to receive a margin on the deposit account. This is explained further in the FSG—see section 2.6.

6.8 Taxation

For information about taxes and potentially relevant tax deductions—see section 7.

6.9 How Fees are paid

Unless otherwise agreed, all Fees are debited against your Cash Management Account and your Margin Loan (as applicable) after the end of the billing period. We will give you a separate tax invoice to show the amount due.

Section 6

Fees and costs

6.9 How Fees are paid

(cont.)

If you close your Account, the Fees you will pay for the final billing period will be whichever of the Fees set out below is the greater:

- the minimum Fee pro-rated for the period until the Portfolio is completely transferred from your Account; or
- the daily accrued Fees for the period until the Portfolio is completely transferred from your Account.

Unless you are a Retail Client, if Fees are not paid due to a lack of funds in your Cash Management Account, we may dispose of your Financial Products and apply the net proceeds that we receive against any unpaid Fees.

6.10 Costs of Managed Funds

The fund managers of the Managed Funds in which you choose to invest will charge separate management fees for their services. These fees vary between fund managers and are generally paid out of the assets of the Managed Funds (along with other costs), which impacts the value of your investment.

To reflect these management fees and other costs, Managed Funds generally produce a management expense ratio (**MER**) which is a measure of the annual costs of operation (including management fees and other costs) as a percentage of the average net asset value of the relevant Managed Fund. Prospective purchasers can then consider the MER of a Managed Fund in determining whether to make an investment.

The disclosure document for each Managed Fund that your Financial Intermediary can give you sets out details of:

- the annual MER of the Managed Fund that is offered through the Portfolio Service; and
- more details about significant and ongoing costs that are charged by underlying fund managers.

The annual MER ranges for typical wholesale Managed Funds are noted in the table below by asset class. However, this table is not exhaustive and certain Managed Funds may have MERs outside these ranges.

6.10 Costs of Managed Funds (cont.)

Indexed funds may charge lower MERs than the ranges set out below. Some Managed Funds also may charge a performance fee in addition to the MER. Where the law permits, we may receive rebates from fund managers of Managed Funds of up to 50 percent of the MER.

	Lower Managed Fund MER	Higher Managed Fund MER	Average MER
Cash	0.25%	0.30%	0.27%
Domestic fixed income	0.24%	0.78%	0.46%
Domestic equities	0.18%	1.73%	0.96%
Listed property	0.24%	1.05%	0.82%
International fixed income	0.10%	0.84%	0.59%
International equities	0.18%	2.57%	1.22%
Hedge funds	0.85%	1.88%	1.37%

Source: Prepared by Mercer Investments (Australia) Limited (ABN 66 008 612 397 AFS Licence No. 244385), Fee data as at 31 March 2016 based on our recommended managed fund lists as at 29 February 2016

Fee data is sourced from disclosure documents and is recorded as published. This means not all fees are posted as at the same date due to time taken to update information when those disclosure documents are re-issued. If GST is included in the disclosure document, it is also reflected in this data.

In some cases, the MER is recorded as the maximum possible that can be charged by the manager.

Some funds provide an Indirect Cost Ratio (ICR) which may also include performance fees and can differ significantly from the MER. An ICR can also represent the maximum possible fee.

While the information in the table is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

Section 6

Fees and costs

6.11 Margin

We may charge a margin in certain circumstances when we execute Transactions for you and we or another Crestone Company act as the counterparty, or when we arrange settlement of any foreign currency Transaction in Australian dollars or the execution of a foreign exchange spot or forward contract. This is in addition to any Transaction Fees if you select Option 2. For more details—see our FSG.

6.12 Estimate of Fees for using the Portfolio Service

The examples in the tables below are an illustration only, as the Fees and costs will vary depending on the rate of management costs and Transaction Fees agreed with your Financial Intermediary, and the costs associated with the Managed Funds you select.

Example 1—\$1,500,000 Assets Under Management

This example is based on an investment of \$1,500,000 into a FIM Custody and Reporting account, with \$1,200,000 invested in Managed Funds and \$300,000 invested in domestic listed securities and 25 percent of the domestic listed securities turned over each year.

Assume that you have selected Option 2 and have agreed to an assets under management fee of 0.8 percent (plus GST) per year together with Transaction Fees.

The Managed Funds portion of the Assets Under Management has been split by asset class into a moderate risk profile and the MERs quoted are an average for the asset classes which make up the Assets Under Management and assume GST is included.

For this example, the total estimated Fees and costs represent 1.71 percent per year (including GST) of the Assets Under Management.

Example calculation of Fees for \$1,500,000 Assets Under Management

Fee	Base amount	Fee rate	Cost to Client (including GST)
Assets under management Fee p.a.	\$1,500,000	0.8% (plus GST)	13,200
Transaction Fees	\$75,000	1.5% (plus GST)	\$1,238
Total Crestone Wealth Management Fees			\$14,438

6.12 Estimate of Fees for using the Portfolio Service (cont.)

Example of underlying costs of moderate risk profile Managed Fund allocation (\$1,200,000 Assets Under Management)

Managed Funds	Base amount	Typical MER	Cost to Client (including GST where applicable)
Cash	\$60,000	0.27%	\$162
Domestic fixed income	\$192,000	0.46%	\$883
Domestic equities	\$360,000	0.96%	\$3,456
Listed property	\$120,000	0.82%	\$984
International fixed income	\$48,000	0.59%	\$283
International equities	\$240,000	1.22%	\$2,928
Hedge funds	\$180,000	1.37%	\$2,466
Total underlying costs			\$11,162

Our Fees plus the underlying Managed Fund costs are:
 $\$14,438 + \$11,162 = \$25,600$, which is 1.71 percent per year of the Assets Under Management.

You may direct us to pay additional Fees to your Financial Intermediary.

Example 2—\$2,000,000 Assets Under Management

This example is based on an investment of \$2,000,000 into a FIM Custody and Reporting account with all Assets Under Management invested in Managed Funds.

Assume you have selected Option 1, with an assets under management Fee of 1.0 percent (plus GST) per year and no Transaction Fees.

The Managed Funds have been split by asset class into an aggressive risk profile, with a higher allocation to domestic and international equities, and a lower allocation to cash and fixed income, than under a moderate risk profile. The MERs quoted are an average for the asset classes which make up the Assets Under Management and assume GST is included.

For this example, the total estimated Fees represent 2.14 percent per year (including GST) of the Assets Under Management.

Section 6

Fees and costs

6.12 Estimate of Fees for using the Portfolio Service (cont.)

Example calculation of Fees for \$2,000,000 Assets Under Management

Fee	Base amount	Fee rate	Cost to Client (including GST)
Assets under management Fee p.a.	\$2,000,000	1.0% (plus GST)	\$22,000
Total Crestone Wealth Management Fees			\$22,000

Example of underlying costs of an aggressive risk profile Managed Fund allocation (\$2,000,000 Assets Under Management)

Managed Funds	Base amount	Typical MER	Cost to Client (including GST where applicable)
Cash	\$40,000	0.27%	\$108
Domestic fixed income	\$90,000	0.46%	\$414
Domestic equities	\$920,000	0.96%	\$8,832
Listed property	\$90,000	0.82%	\$738
International fixed income	\$40,000	0.59%	\$236
International equities	\$520,000	1.22%	\$6,344
Hedge funds	\$300,000	1.37%	\$4,110
Total underlying costs			\$20,782

Our Fees plus the underlying Managed Fund costs are:
 $\$22,000 + \$20,782 = \$42,782$ which is 2.14 percent per year of the Assets Under Management.

You may direct us to pay additional Fees to your Financial Intermediary.

6.13 Increases to and alterations of Fees

We reserve the right to increase the Fees we charge you without your consent and to charge for other miscellaneous services. However, we will give you at least a month's advance notice of Fee changes.

We may add any GST (or similar tax) that we pay with respect to these Fees to the total Fees you pay us.

We also reserve the right to negotiate the Fees that are paid by each Client. If you wish to negotiate the Fees, you should contact your Financial Intermediary. We will tell you what level of Fees you will pay separately.

6.14 What your Financial Intermediary is paid

Your Financial Intermediary is responsible for giving us instructions on your behalf and for giving you Financial Product Advice.

You may agree Fees with your Financial Intermediary for the financial services they give you (**Financial Intermediary Fees**) in addition to our Fees for the Portfolio Service.

With your agreement and direction, Financial Intermediary Fees may be calculated by reference to the Fees we charge you for the Portfolio Service. In these circumstances, both your Financial Intermediary Fees and our Fees (**Combined Fees**) will be debited against your Cash Management Account after the end of the billing period.

If you end the Portfolio Service, the Combined Fees that you will pay for the final billing period will be whichever of the Fees set out below is greater:

- the minimum Combined Fee pro-rated for the period until the Portfolio is completely transferred from the Portfolio Service; or
- the daily accrued Combined Fees for the period until the Portfolio is completely transferred from the Portfolio Service.

Unless you are a Retail Client, if Combined Fees are not paid due to lack of funds in your Cash Management Account, we may dispose of such Financial Products and apply the net proceeds that we receive against any unpaid money.

The Financial Intermediary is responsible for making sure that all regulatory requirements are met in respect of Financial Intermediary Fees.

Section 6

Fees and costs

6.15 Financial Intermediary rebates

To the extent that the law allows, we may pay rebates to your Financial Intermediary. You should contact your Financial Intermediary for details of any rebate arrangements.

6.16 Payments of benefits to Crestone Wealth Management representatives

To the extent that the law allows, Crestone Wealth Management representatives may be entitled to earn commissions and bonuses based on some Fees levied on Accounts.

Section 7

Taxation

7.1 Introduction

This general summary covers some of the Australian income tax issues that apply to Financial Products that are made through an IDPS. It applies only if you are an individual, a company, a trust or a complying superannuation fund and you are a resident of Australia for tax purposes.

The tax consequences of investing will depend on who you are, the investments you make and the particular circumstances of your Financial Products. The taxation information contained in this document is of a general nature only and is not tax advice.

Australian tax laws are subject to continual change, and as a result the tax treatment applicable to particular investors may differ. We recommend that you get independent professional tax advice about your Financial Products and the income tax implications of your particular situation.

We provide tax information in the tax reporting we provide as part of the Portfolio Service. However, we do not provide tax advice and nothing in this document should be taken to be tax advice.

Also, you will need to see the specific disclosure document for taxation information relevant to your Financial Products.

7.2 Absolute entitlement

The IDPS structure seeks to ensure that, for taxation purposes, you are treated as being absolutely entitled to the Financial Products held on your behalf. This means that for tax purposes, you (and not us as the IDPS Operator or the Custodian) will be liable to tax on any income (including capital gains) from those Financial Products.

In Draft Taxation Ruling TR 2004/D25, the Australian Taxation Office (**ATO**) outlined its views as to the meaning of the term “absolutely entitled” and in what circumstances a capital gain or loss is reported by the beneficiary directly, or whether the gain or loss is reported in the trust/custodian. At the date that this IDPS Guide was prepared, the Draft Taxation Ruling was not finalised.

7.3 Financial Products are held as capital investments

The tax consequences associated with the holding of Financial Products will vary depending on whether you hold a Financial Product as an investment on capital account, as trading stock, or as a revenue asset and whether the Taxation of Financial Arrangements (**TOFA**) rules apply.

Section 7

Taxation

7.3 Financial Products are held as capital investments (cont.)

It is assumed that your Financial Products are being held on capital account unless the Financial Products are deemed to be held on revenue account based on other specific tax rules. If you anticipate that a Financial Product you hold through the Portfolio Service will be held as trading stock or on revenue account, you should get independent professional tax advice about your Portfolio and the income tax implications of your particular situation.

TOFA

The TOFA provisions may apply to certain 'financial arrangements'. In broad terms, where the TOFA provisions apply, returns on certain 'financial arrangements' may be recognised on an accruals basis rather than on a realisation basis. Certain TOFA elective methods may also impact the timing and character of gains and losses on your financial arrangements.

It is assumed that your Financial Products are not subject to TOFA.

You should seek independent professional tax advice about the TOFA implications for your particular Financial Products and situation.

7.4 Income and capital gains

Your Annual Tax Statement will report all income and capital gains attributable to that financial year.

Depending on the Financial Products you hold, they may distribute various types of income including:

- franked and unfranked dividends;
- unfranked dividends—'conduit foreign income' (CFI);
- foreign income;
- attributed income from a 'controlled foreign company'—(CFC);
- tax deferred amounts;
- capital gains;
- interest; and
- other income.

7.5 Franked and unfranked dividends

Dividends received may be franked or unfranked. Details of any franking credits associated with dividends received will be provided in your Annual Tax Statement.

You may be entitled to a tax offset for these franking credits if certain rules are satisfied. However, these rules are complicated and it is important that you get independent professional tax advice about how the rules apply to your Portfolio in your particular circumstances. We are not aware of all your individual circumstances and will not check whether you are entitled to claim relevant tax offsets.

7.6 Unfranked dividends—'conduit foreign income' (CFI)

Unfranked dividends—CFI are unfranked dividends that are received from Australian companies that have declared this amount to be 'conduit foreign income'. These unfranked dividends are not subject to Australian withholding tax if they are paid to a non-resident investor. Australian resident investors will treat these amounts as unfranked dividends.

7.7 Foreign income

If you receive foreign income or a distribution that includes foreign income, you will need to include this in your tax return as assessable income, usually grossed up for any foreign tax paid. You may also be entitled to a foreign income tax offset for foreign tax that is paid. This information will be provided in your Annual Tax Statement.

Foreign income and foreign tax that is paid are reported in accordance with advice received from the sub-custodian in the relevant jurisdiction. A sub-custodian in a foreign jurisdiction may have withheld tax at standard tax rates, regardless of reduced rates that may be allowed under a tax treaty.

If you or a Managed Fund in which you invest holds investments in foreign companies, partnerships or trusts, you should get independent professional tax advice on the Australian and foreign tax consequences of your Portfolio and your entitlement to foreign income tax offsets.

Section 7

Taxation

7.8 Attributed income from a 'controlled foreign company' (CFC)

If you are an Australian tax resident and have a direct or indirect interest in a foreign entity, your share of the foreign entity's income may be attributed to you for income tax purposes even if the income has not been distributed to you. These details will be provided in your Annual Tax Statement.

Income may be attributed to you if you have an interest in a foreign company controlled by Australians (known as a 'controlled foreign company' or 'CFC') or a foreign trust controlled by Australians (known as a 'controlled foreign trust' or 'CFT') or if you effectively control the CFC or CFT.

The Australian CFC measures are complex. If you have received attributed CFC income, we strongly recommend that you get independent professional tax advice about the tax implications of your direct or indirect holding in the foreign entity.

7.9 Tax deferred amounts

Distributions that you receive may include certain non-assessable amounts, such as tax-deferred income. Depending on your circumstances, such amounts may reduce the cost base of the underlying asset for capital gains tax purposes, and may give rise to a capital gain if the cost base of the underlying asset is reduced to nil.

At the date this IDPS Guide was prepared, a draft bill was before the Australian Parliament, which included a measure to ensure tax deferred distributions would not be assessed as ordinary income.

7.10 Capital gains

You will need to include in your assessable income any net capital gain that arises from the realisation of your Financial Products. The amount of capital gain assessable to you will depend (among other things) on when you acquired the Financial Products in your Portfolio and how long you have held them.

Regarding Financial Products that are held on capital account, if you are an individual, complying superannuation fund or trust, and you are a resident of Australia, you may be eligible for the capital gains tax discount if you:

- held your Financial Product for 12 months or more (excluding the acquisition and disposal dates); and
- satisfy certain requirements.

7.10 Capital gains (cont.)

The discount amount is 50 percent in the case of an individual or trust and 33⅓ percent in the case of a complying superannuation fund. You should get independent professional tax advice about the capital gains tax implications from the disposal of your Financial Products.

If you are a company, you are not entitled to the capital gains tax discount.

7.11 Interest

Interest that you derive from your Financial Products will be reported in your Annual Tax Statement and should be included in your assessable income.

7.12 Other income

Other income may be distributed to you from your Financial Products. This will be reported in your Annual Tax Statement.

7.13 Non-AUD denominated Financial Products

If your Portfolio includes Financial Products that are denominated in a currency other than the Australian dollar (**AUD**), we will give you information, including information about the:

- foreign currency denomination;
- Transaction in the non-AUD currency; and
- AUD equivalent at the effective or trade date of the Transaction.

The AUD equivalent value is based on the Telekurs exchange rate (or another exchange rate that we reasonably determine) as at approximately 5.45pm AEST (+2 hours Australian daylight saving time) on the business day of the trade or effective date (or another time that we reasonably determine).

Gains and losses on non-AUD Transactions are complex. You should get independent professional tax advice about the tax implications of any non-AUD holdings or Transactions.

Section 7

Taxation

7.14 Other events or circumstances

There may be other events or circumstances relating to your particular Financial Products that give rise to taxation implications that are not discussed here (for example, corporate actions relating to your Financial Products). You should get independent professional tax advice about these events or circumstances.

7.15 Pay as you go (PAYG) instalments

Under the PAYG instalment regime, you may need to pay instalments of tax on your income and distributions from your Portfolio. The PAYG instalment provisions are complex and you should get independent professional tax advice about your liability for tax under the PAYG instalment regime.

7.16 TFN withholding tax

When you open your Account, we will ask you for your Australian Business Number (**ABN**), or Tax File Number (**TFN**). It is not compulsory to quote your ABN or TFN. However, if you do not give us your ABN or TFN or claim an exemption, we will have to withhold tax from payments of certain income to you at the highest marginal tax rate, plus levies (currently 49 percent for Australian residents).

If you choose to provide your ABN, you will also need to declare that your Portfolio is made in the course of, or in furtherance of, your business or enterprise.

7.17 Non-resident withholding tax

If you are not a resident of Australia for tax purposes, non-resident withholding tax may be deducted from your Australian sourced income. Details of the amounts that are withheld will be reported in your Annual Tax Statement.

7.18 Goods and services tax (GST)

GST applies to the supply of certain goods and to certain services that are provided. For Australian resident taxpayers, all Fees that are billed are subject to GST if it applies.

The Portfolio Service is not registered for GST purposes in its own right. We may recover GST-inclusive Fees from your Cash Management Account for the products and services that we provide and any products and services that are provided by our service providers or managers of Managed Funds. We can also recover from you the amount of GST that we pay to service providers in connection with your Account that cannot be recovered as an input tax credit.

The Portfolio Service intends to apply for registration for GST purposes in its own right. Once the Portfolio Service is registered for GST purposes, the Portfolio Service may be entitled to recover reduced input tax credits on certain expenses incurred by the Portfolio Service. Accordingly, our Fees may be impacted (i.e. reduced) by the reduced input tax credits available to the Portfolio Service. If and when registration is confirmed, we will inform you of any impact and revisions to section 6 Fees and costs and section 7.23 Fees.

7.19 Investing in foreign Financial Products

If you require access to US Financial Products, you will need to complete a US tax form. More generally, if you wish to invest in foreign Financial Products you should get independent professional tax advice about the Australian and foreign tax consequences.

7.20 Disposal of your Financial Products

For tax purposes, a disposal of your Financial Products may arise in a number of circumstances. However, a transfer of the legal title to a Financial Product held on capital account between you and your Account should not realise a capital gain or loss if there is no change of beneficial ownership.

7.21 Centrelink benefits

Under current legislation, the income and any capital gains that are earned from your Portfolio could affect your entitlement to Centrelink benefits. You should get independent professional tax advice about how your Portfolio could affect your position.

Section 7

Taxation

7.22 Stamp duty

The transfer of title to Financial Products in your Portfolio from you (or your custodian) to us or from us to you should generally not attract any stamp duty if the Financial Products are securities, interests in Managed Funds, options or warrants that are quoted on ASX or a range of other stock exchanges assuming the interest transferred does not result in a majority interest in any entity being obtained by any person, group of associated persons or persons acting together under one arrangement.

Transfer of title to bonds and other corporate fixed income securities should not attract any stamp duty.

The transfer of shares and Managed Fund interests that are not listed can attract duty in some Australian and foreign jurisdictions. There are exemptions or concessions for transfers to and from nominees that may apply. You will have to pay any duty that needs to be paid.

Other Transactions involving your Financial Products may also attract stamp duty. You should refer to the relevant disclosure documents for those Financial Products. The above stamp duty comments are intended as high level guidance and you should seek your own independent stamp duty advice on each Transaction.

7.23 Fees

Any Fees payable on your Account will be stated as being either inclusive or exclusive of GST. You should refer to the relevant disclosure document about the taxation treatment of any costs associated with particular Financial Products (including your Cash Management Account).

Transaction Fees that are incurred in connection with the transfer of Financial Products into or from your Account should be included in the cost base of the Financial Product for capital gains tax purposes. If you are a share trader, such Transaction Fees may be allowable as a deduction. However, you should get independent professional tax advice about your situation.

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

FATCA was introduced in the US to target offshore tax evasion by US tax residents. FATCA requires non-US 'Financial Institutions' to collect and report information in relation to accounts they maintain which are held by US citizens or US tax residents. Financial Institutions that do not collect and report this information may suffer a 30 percent withholding tax in relation to certain types of US payments (for example, payments of US income or gross proceeds from the sale of US Financial Products) made to them.

In April 2014, Australia signed an inter-governmental agreement (**IGA**) to implement FATCA, and introduced domestic legislation to give effect to its obligations under the IGA. FATCA requires Australian Financial Institutions to provide the ATO with certain information in relation to accounts maintained by US citizens or tax residents. The ATO will pass this information on to the US Internal Revenue Service. In accordance with the IGA and the Australian legislation, we may request that you provide certain information about you or your controlling persons (if you are an entity) in order to comply with our Australian tax obligations.

Failure to comply with our FATCA obligations may result in the imposition of a 30 percent withholding tax on certain US payments made to us. Please note that if you fail to provide information requested by us, and we suffer an amount of FATCA withholding tax and/or penalties, we may seek to recover the amount of such tax from you.

7.25 Common Reporting Standard

The Organisation for Economic Co-operation and Development Common Reporting Standard (**CRS**) is a single global standard in relation to the automatic exchange of tax information for the purposes of combating the evasion of tax. At the date this IDPS Guide was prepared, a bill to implement the CRS had been introduced to the Australian Parliament which proposed the CRS was to apply to Australian financial institutions from 1 July 2017, with a first reporting deadline of 31 July 2018. Subject to the bill being passed, we may be required to request you to provide certain information about you or your controlling persons (if you are an entity) in order to ensure relevant CRS obligations are met.

Section 7— Taxation

7.26 Third party reporting

Australia has introduced a new third party reporting regime which requires certain entities ('third parties') to report information to the ATO on transactions that could reasonably be expected to have tax consequences for other entities. As such, we may have obligations to report information in respect of purchases or sales of Financial Products on your behalf so that the ATO can attribute capital gains tax consequences to the Transaction. The obligations apply to Transactions occurring on or after 1 July 2017.

Section 8

More information about the IDPS

8.1 Our duties and responsibilities

A summary of our duties under the Corporations Act and the IDPS Deed is set out below:

- we must act honestly and with reasonable care and diligence in performing our duties under our contract with our Clients;
- if another party carries out functions for us, we must generally pay any compensation that arises out of that other party's acts or omissions, although see below for an explanation of our liability for acts of our sub-custodians or any downstream sub-custodians;
- all the Financial Products must be held on trust for the relevant Client (or Clients);
- all money that we receive from Clients, or in which Clients have an interest, must be paid into an account with an Australian bank that is designated as a trust account, or directly into an account held by the relevant Client in their own name;
- we must give copies of all communications that the law states must be given in relation to the Financial Products that are held on trust, to any Clients who ask for them;
- we must give Clients a quarterly report, or give electronic access to Transaction information on a substantially continuous basis to Clients who agree to receive such information electronically. We must also give an annual report to all Clients within three months after the end of each financial year;
- we must generally only act in accordance with Client instructions (and only to the extent they are provided to us by the Client's Financial Intermediary);
- we must keep Clients' Financial Products separately identified (as far as practicable) in our own records but we may mix a Client's Financial Products with assets of other clients or of any other person; and
- if the Client is a Retail Client:
 - we must keep records of what Financial Products we hold for that Client and any Transactions in relation to those Financial Products and how, by whom and when those Transactions were authorised. We will keep these records in accordance with our relevant legal, and internal and external audit requirements. We have procedures in place that allow for reconciliation each business day, or if it is ordinary and reasonable commercial practice to reconcile certain Financial Products less frequently, in accordance with that practice, by checking information that we are given as to the existence and quantity of the Financial Products we hold for each Client against our records and for reporting by us to the Client concerning the outcomes of the reconciliation in case of any unreconciled matter;

Section 8

More information about the IDPS

8.1 Our duties and responsibilities (cont.)

- in addition to the reports we describe elsewhere in this IDPS Guide, we must provide Clients on request, either electronically or in any other form that we have agreed, with reports in relation to the Financial Products that we hold for each Client. The reports will contain the information that we consider to be reasonable;
- if a Client requests in writing, we must provide information about the manner in which we hold that Client's Financial Products;
- we must establish and maintain arrangements that enable us to provide safe custody services to our Clients in any contingency for which we should reasonably plan; and
- we must keep any information of a confidential nature in confidence, apart from any disclosure to ASIC or as permitted by law or by the Client.

We have indemnity insurance in place. Under the IDPS Deed, we are entitled to be indemnified for any liability, loss, claim, demand or cost we or our agents incur in properly performing or exercising our duties in relation to the Portfolio Service.

We are not responsible for losses or liabilities that Clients incur—unless those losses or liabilities are a result of our own negligence, fraud or wilful default. However, we will be liable for the following:

- if the Client is a Retail Client and a sub-custodian engaged by us does not observe reasonable standards generally applied by providers of custody and similar services or does not comply with the terms of the agreements that apply;
- what a sub-custodian engaged by us does (whether or not the Client is a Retail Client), if we did not exercise care when we selected them—unless the sub-custodian who is appointed is another Crestone Company (in which case we will be liable for its actions); and
- our actions if the Client is a Retail Client and we do not observe reasonable standards generally applied by providers of custody and similar services or we do not comply with the terms of the agreements that apply.

Regardless of the above, unless the sub-custodian who is appointed is another Crestone Company (in which case we will be liable for its actions), we will not be liable for any loss that our Clients may suffer if a sub-custodian becomes insolvent and we have exercised reasonable care in appointing them (and, in the case of Retail Clients, in monitoring the sub-custodian's compliance with its obligations).

8.2 IDPS Deed

We will give you a copy of the IDPS Deed (free of charge) if you want to find out more details about your rights under the IDPS Deed.

A Crestone Company may be a Client, and may invest through the Portfolio Service in any capacity.

8.3 Complaints resolution mechanism

If you have a complaint about the Portfolio Service, your Account or other products and services that we or any of our representatives provide to you, you may contact your Financial Intermediary or:

Crestone Financial Intermediaries Desk
Level 18
120 Collins Street
Melbourne VIC 3000
Telephone: 1800 784 614.

Alternatively, put your concern or complaint in writing and send it to:

Crestone Wealth Management
Complaints Officer
Level 32, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Email: complaints@crestone.com.au.

We will try to resolve your complaint quickly and fairly under our complaints handling policy.

We will give you a copy of our complaints handling policy if you ask for it or you can access it at crestone.com.au.

We are also a member of an external complaints handling scheme—the Financial Ombudsman Service (**FOS**). If you still do not get a satisfactory outcome, you may have the right to complain to FOS:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1800 367 287
Facsimile: +61 3 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au.

Section 8

More information about the IDPS

8.3 Complaints resolution mechanism

(cont.)

If you have a complaint about a Financial Product available through the Portfolio Service, you should contact your Financial Intermediary who will be able to tell you if the issuer of the Financial Product has an internal dispute resolution system that you can use.

If the Financial Product issuer's internal dispute resolution system is available to you, you should follow the complaint procedures outlined in the disclosure document for the Financial Product.

If you have a complaint about your Financial Intermediary (for example, about the Financial Product Advice you received from them), you should lodge your complaint with your Financial Intermediary. You can find out how to make a complaint in your Financial Intermediary's Financial Services Guide.

You can also contact ASIC to make a complaint and to get information about your rights on:

ASIC Infoline
Telephone: 1300 300 630.

Section 9

Declarations

By completing and signing the application form in the Account Opening documents, and by choosing a FIM Custody and Reporting Service account:

- you acknowledge the following:
 - no Crestone Company guarantees the repayment of capital or the performance of any Financial Product offered through the IDPS;
 - you have read and understood this IDPS Guide regarding the Portfolio Service and agree to be bound by the terms and conditions set out in this IDPS Guide;
 - you have not relied on the tax information provided by any Crestone Company;
 - you agree to hold your money in relation to your Account in your Cash Management Account; and
 - if you have given us your ABN, your Financial Products are purchased, held and sold in the course of, or to further, your business or enterprise; and
- you authorise and direct us to:
 - redeem your interests in any Managed Funds or to sell any other Financial Products when there are not enough funds in your Cash Management Account to pay any Fees or costs as described in this IDPS Guide (although this does not apply if you are a Retail Client in relation to our unpaid Fees);
 - acquire and dispose of Financial Products on your behalf in accordance with your instructions, which may be standing instructions or instructions given to us by your Financial Intermediary on your behalf;
 - in the case of your Margin Loan, to draw down funds against your Margin Loan for the purposes of acquiring Financial Products on your behalf;
 - use the proceeds of the sale of your Financial Products to reduce your Margin Loan balance; and
 - debit your Cash Management Account for the purposes of acquiring Financial Products on your behalf.

Section 10

How to apply to be a Client of the Portfolio Service

To be a Client of the Portfolio Service, you must do the following:

- complete the Account Opening documents—selecting a FIM Custody and Reporting account;
- complete the Account Opening documents, acknowledging that a part of these services operates as an IDPS and that you are aware of the nature of the business and the risk associated with it;
- be, or become, a client of a Financial Intermediary who has entered into an arrangement with us to access the IDPS;
- sign all application forms (if it is a joint application, all parties must sign). If the forms are signed by an attorney:
 - you must attach a certified copy of the power of attorney to the application form; and
 - the attorney must declare that they have not received notice revoking the power; and
- if you are a company, the application forms must be executed in accordance with the requirements of the Corporations Act. Where requested, satisfactory evidence of appointment must be produced.

The Portfolio Service is not available to anyone under the age of 18 years. If you are under the age of 18 years, your application will be accepted only if it is made on your behalf by a trustee.

Section 11

How you can contact us

IDPS Operator and Custodian

Crestone Wealth Management Limited

ABN 50 005 311 937

AFS Licence No. 231127

Contact details are set out on the back cover of this IDPS Guide.

Section 12

Definitions and interpretation

12.1 Definitions

ABN stands for Australian Business Number and has the meaning given in the *A New Tax System (Australian Business Number) Act 1999* (Cth).

Account means the FIM Custody and Reporting account with Crestone Wealth Management that we establish for you to provide the Portfolio Service and in which all or part of your Portfolio is recorded.

Account Opening documents means the account opening documents that are required to open an Account, including the application form and the Account Terms and Conditions.

Account Terms and Conditions means the Crestone Wealth Management *Account Terms and Conditions* which set out the basis on which we provide products and services to you.

AFS Licence means an Australian financial services licence as defined in the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

Assets Under Management means your Portfolio together with any Financial Products held as collateral for a Margin Loan in respect of which Crestone Wealth Management provides services.

ASX means ASX Limited (ABN 98 008 624 691).

ATO means the Australian Taxation Office.

AUD means Australian dollar.

Cash Management Account means that proportion (if any) of the balance of a deposit account that Crestone Wealth Management holds with an Australian bank that is attributable to you.

Client means a holder of an Account.

Combined Fees has the meaning given at section 6.14.

Corporations Act means the *Corporations Act 2001* (Cth) supplemented by the Corporations Regulations or Relief.

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

Crestone Company means Crestone Holdings Limited (ABN 41 606 011 974) and any of its Related Bodies Corporate.

Crestone Wealth Management means Crestone Wealth Management Limited (ABN 50 005 311 937 AFS Licence No. 231127).

Custodian means Crestone Wealth Management.

12.1 Definitions (cont.)

Fees means any fees and costs referable to you as described in this IDPS Guide, whether or not they are charged by us or any of our agents or service providers, including:

- assets under management fees;
- Transaction fees;
- miscellaneous fees;
- the cost of any Financial Products that you choose; and
- any other fee that the IDPS Operator determines.

FIM Custody and Reporting means a type of account with Crestone Wealth Management.

Financial Intermediary means a licensed external financial adviser that has entered a financial intermediary agreement with us.

Financial Intermediary Fees has the meaning given at section 6.14.

Financial Product means:

- a financial product (as defined in the Corporations Act), whether or not it is traded on an exchange; and
- any other product that we determine is a Financial Product for the purposes of the Account Terms and Conditions,

and includes all 'Assets' as that term is defined in the IDPS Deed.

Financial Product Advice has the meaning given in the Corporations Act.

FSG means the Crestone Wealth Management *Financial Services Guide for Financial Intermediary Clients*.

GST means any goods and services or similar tax, together with any related interest, penalties, fines or other charge.

IDPS stands for 'Investor Directed Portfolio Service' and has the meaning given in ASIC Class Order [CO 13/763].

IDPS Deed means the deed executed on 5 July 2001 that sets out the terms on which we hold Financial Products for each Client.

IDPS Guide means this disclosure document that is issued under Relief that ASIC makes available in relation to IDPS.

IDPS Operator means Crestone Wealth Management.

IGA has the meaning given in section 7.24.

IPC means Investment Product Committee.

Lender means a financial institution or any Related Body Corporate of the financial institution that Crestone Wealth Management approves to provide Margin Loans to Clients.

Section 12

Definitions and interpretation

12.1 Definitions (cont.)

Managed Fund means any managed investment scheme or other similar investment vehicle that is not listed on an authorised stock exchange that you can access by participating in the IDPS.

Margin Loan means a loan that a Lender gives you to acquire approved Financial Products in or outside the Portfolio Service.

PAYG stands for 'Pay As You Go' as used in the Commonwealth taxation administration legislation.

Personal Advice has the meaning given in the Corporations Act.

Portfolio means the Financial Products held in the IDPS on your behalf, and excludes the balance of your Cash Management Account and any Financial Products held as collateral for a Margin Loan.

Portfolio Service means the Crestone Wealth Management Portfolio Service described in this IDPS Guide and provided under the IDPS Deed.

Product Disclosure Statement has the meaning given in the Corporations Act.

Related Body Corporate has the meaning given in the Corporations Act.

Relationship Terms means the terms that govern your relationship with Crestone Wealth Management, and that are contained in the Account Terms and Conditions.

Relief means an instrument issued by ASIC that modifies the application of the Corporations Act in relation to a Financial Product or a financial service.

Retail Client has the meaning given in the Corporations Act.

TFN stands for Tax File Number and has the meaning given in the *Income Tax Assessment Act 1936* (Cth).

TOFA stands for 'Taxation of Financial Arrangements' contained within Division 230 of the *Income Tax Assessment Act 1997* (Cth).

Transaction means any transaction in Financial Products, whether or not it is executed on an exchange (including the acquisition, disposal or redemption of unlisted Financial Products).

12.2 Interpretation

Unless the context otherwise requires, any reference in this IDPS Guide to:

- the singular includes the plural and the plural includes the singular;
- the masculine includes the feminine and neuter;
- any legislation or legislative provision includes any statutory change to, consolidation or re-enactment of, legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- this IDPS Guide, and any other agreement, document or instrument shall be construed as a reference to this IDPS Guide, or the agreement, document or instrument as the same may have been, or may be amended, varied, novated, replaced or supplemented;
- a time of day shall be the time in New South Wales; and
- a person includes any person, firm, company, corporation, body corporate, government, state or agency of a state or any association, trust, unincorporated body of persons or partnership or two or more of the foregoing (whether or not having separate legal personality).

Headings are for convenience only and do not affect the interpretation of this IDPS Guide.

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Important information

Crestone Wealth Management is an Australian Financial Services licensee (AFS Licence No. 231127) under the Corporations Act.

This IDPS Guide contains general advice only. In preparing this IDPS Guide, we have not taken into account your personal objectives, financial situation or needs. You should get independent professional tax advice and advice from your Financial Intermediary before you make a decision to use the Portfolio Service described in this IDPS Guide, or to invest in any Financial Products.

Information in this IDPS Guide may change and, as long as it is not materially adverse, it may be updated by being published at crestone.com.au. We will also give you a paper copy of any updated information (free of charge), if you ask for it.