

Investments for Wholesale Clients: IM Funds

Macquarie Wrap is now offering the option of investing in managed funds that are only accessible to Wholesale Clients. Managed funds that are issued via an information memorandum are referred to as IM Funds and will be made available for Wholesale Clients.

Advisers applying to invest in IM Funds on their clients' behalf must follow the process set out in this flyer, including that they confirm:

- they are licensed to advise and deal in funds that are accessible to Wholesale Clients;
- their clients:
 - meet the definition of Wholesale Clients, and
 - can provide the information Macquarie requires

These requirements relate to Investment Wrap products only.

IM Funds

Investments offered under an information memorandum (IM) are only available to Wholesale Clients. Wholesale Clients can access these investments via Macquarie's IDPS products.

Wholesale Clients are defined within the *Corporations Act 2001 (Cth)* as meeting either the Wealth or Professional Investor tests.

So that we can manage which clients can access these investments, we have set out below requirements for what information clients will need to provide to demonstrate they meet either the Wealth or Professional Investor tests.

Wholesale Investor Tests

The Act provides the following definitions for clients to be considered wholesale:

- **Wealth test:** A person or entity that has obtained a qualified accountant's certificate stating they have net assets of at least \$2.5 million, or a gross income for each of the last two financial years of at least \$250,000. The certificate is valid for two years before it needs to be renewed. The Controls Test can be used where a director is appointed the controlling director of a company that meets the Wealth Test criteria.
- **Professional Investor test:** A professional investor, which includes, among others, financial services licensees, bodies regulated by APRA as well as a person or entity who controls gross assets of at least \$10 million (including any amount held by an associate or under a trust that the person manages).

A Wrap client is considered retail unless:

- they meet the criteria set out in one of the above tests; and
- they can provide sufficient evidence to us.

A Wholesale Client is also known as a Sophisticated Investor.

Macquarie Wrap will accept the following evidence to recognise a client as wholesale:

| Test | Criteria | Evidence |
|---|--|--|
|  Wealth Test | Where a person or company <ul style="list-style-type: none"> Has earned more than \$250,000 pa (gross); OR <ul style="list-style-type: none"> Has net assets greater than \$2.5million | Macquarie's Qualified Accountants Certificate |
|  Professional Investor test | A person who has or controls gross assets of at least \$10 million (including any assets held by an associate or under a trust that the individual/the Company manage(s)); | Macquarie's Qualified Accountants Certificate <i>While a Professional Investor Declaration may also be provided, Macquarie Wrap requires the submission of the Qualified Accountants Certificate for a client to access IM funds.</i> |
|  Controls test | Where a director makes all the financial decisions for the company or corporate trustee of a trust, the individual's wholesale classification can be extended to the corporate trustee/company | Macquarie's Qualified Accountants Certificate (for the Director being assessed) AND Written confirmation in the form of a Board Resolution of the company signed by all directors that the nominated Director is the controller i.e has the capacity to determine the outcome of decisions affecting the financial and operation policies of the company AND D&B Search showing all directors of the company |



To ensure Macquarie captures relevant information in a form approved by regulatory requirements, Macquarie will only accept the Qualified Accountants Certificate on Macquarie's form. In addition, in the event that there may be other evidence available to investors under the regulations, Macquarie only accepts the documentation set out in this document due to the controls framework we have established to meet our obligations in administering investments that are only available to wholesale and/or professional investors.

Please allow 24 hours from submission for the form to be processed before transacting on IM funds becomes available.

The following table defines and explains some terms used in this document.

| Term | Meaning |
|---------------------------------|---|
| Account | An account opened for IM Fund Investors on the Macquarie Product. |
| AFSL | Australian Financial Services Licence. |
| Client | A person who holds or is likely to hold a Macquarie Product and is or will be recorded as a Client of the Company as a result of the application or a subsequent instruction to that effect by the Client. |
| Company | A partnership, dealer, dealer group or company that acts on a Client's behalf in respect of investments in the Macquarie Products. |
| IM Fund | Certain funds offered under an information memorandum available on the Macquarie Products from time to time to Wholesale Clients only. |
| Representative | An adviser, accountant, administrator, stockbroker, risk specialist, mortgage broker, intermediary, corporate authorised representative or any person that acts on behalf of a Company. |
| Sophisticated Investor | A type of investor who is considered wholesale. A sophisticated investor has, as certified via a Qualified Accountants Certificate, had a gross annual income of \$250,000 or more in each of the previous two years or has net assets of at least \$2.5 million, as prescribed by the Corporations Act 2001. |
| Wholesale Client | A Client who is considered wholesale pursuant to the Corporations Act 2001 and accepted by Macquarie as meeting the relevant criteria. |
| Investment Wrap Products | The IDPS products known as Investment Manager and Investment Consolidator. |
| You, your, yours | The Company |

What's next?

Speak to your relationship manager or call **1800 501 180**

This document is dated May 2019 and is issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 (MIML). This information is provided for the use of financial advisers only. In no circumstances is it to be used by a person for the purposes of making a decision about a financial product or class of financial products.

MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group entity. Neither Macquarie Bank Limited nor any member of the Macquarie Group guarantees or otherwise provides assurance in respect of the obligations of MIML.

This information has been prepared by MIML for general information purposes only, without taking into account any potential investors' personal objectives, financial situations or needs. Before acting on this general information, you must consider its appropriateness having regard to your own objectives, financial situations and needs. All potential investors should obtain financial, legal and taxation information before making any decision regarding a particular financial product.)