

Scope of service options for AMA Capital Management Limited clients

AMA Capital Management Limited (**AMA**) is committed to ensuring we provide the right service to each of our clients. The majority of our clients are wholesale clients and use our Discretionary Investment Management Service (**DIMS**). When we use the term 'client,' 'investor,' or 'you', we are referring to the party which signs a contract with us. It could be a wealthy individual, couple, partnership, family trust, company or other entity.

This document helps you select the service right for your situation.

Wholesale vs retail

Use our information sheet 'Do I want to be a wholesale or retail investor?' to make this decision or else talk with Angela Anderson.

How we work: Wrap platform and custodial service

We manage all our client investments using a reputable investment administration and reporting platform (**Wrap**) and an independent custodial arrangement provided by FNZ Custodians Limited. Your money is in safe custody and is not held by AMA. As part of the custodial arrangement, FNZ Custodians Limited holds investors' money as trustee of a bare trust. Only the beneficial owners of the monies have access (the investors). This access is through AMA, who instructs the custodian via the Wrap platform.

The contractual arrangements are as follows:

- You have an agreement with AMA
- AMA has an agreement with the Wrap platform and the custodian

The process for an investor is very simple:

AMA sets up an investor account on the Wrap platform and provides proof of the investor's bank account. This proof of bank account is checked by the Wrap platform to ensure it is in the investor's name. The investor sends money to the custodian's bank, ANZ, to be credited to an account in the name of FNZ Custodians Limited to hold on behalf of the investor, using their Wrap account number as a reference. A deposit slip is available on request.

Once the funds arrive, AMA instructs the custodian to process trades on behalf of the investor. The custodian settles these transactions.

Withdrawals that are made are paid to the investor's nominated bank account, previously provided. This is managed via AMA. The custodian sends annual tax and biannual custody reports to the postal address or email address of the investor as entered into the Wrap platform by AMA.

When investors join the Wrap platform, they should receive custodian reports directly from the custodian every six months. The reports should only be sent to the investor, although AMA will have access to a copy. The custodian report is a legally required statement of the investor's holdings, transactions, fees and income and is delivered in January and July each year.

The custodian report helps investors be certain that the records the custodian holds match those that are being reported by AMA. Investors are also all entitled to a 24/7 direct login to their Wrap account that gives them a live view of the custodial holdings FNZ is maintaining on their behalf.

The key benefits of using a Wrap platform and independent custodian are:

Reduces paperwork and time commitment. AMA handles this for you.	Assets held by FNZ Custodians Limited provides you with security knowing all your investment records are safely stored.
Simple tax reporting.	Quarterly investment portfolio reporting plus an annual tax report.
We have portfolios to meet your risk profile.	Access to a wide range of individual investments.
Ability to reduce the cost of investing via fund rebates and lower transaction costs.	Highly attractive on call and term deposit rates for cash.
Ability to hold assets and cash in multiple currencies.	Investors are also all entitled to a 24/7 direct login to their Wrap account that gives them a live view of the custodial holdings FNZ is maintaining on their behalf.

Wholesale client - DIMS

The majority of our clients are ‘wholesale’ and choose to use our DIMS. Our DIMS gives you all the benefits of the Wrap platform and independent custodian PLUS we streamline the investment process for you and you have access to a wider range of investment products than retail clients.

DIMS is where you provide AMA with the authority (as agreed in a Contract) to make investment decisions on your behalf without requiring authority each time we transact. We work with you to select the right investment portfolio to meet your needs. Our Contract with you allows us to buy and sell investments within the portfolio but only in accordance with the guidelines you and AMA agreed to. We cannot exceed those guidelines without getting your agreement to do so. Our DIMS clients like this service as it:

- Gives them peace of mind knowing we are monitoring their portfolio and making changes when required.
- Simplifies their lives and saves them time as they do not have to read heaps of information and make regular decisions on what to invest into.
- Reduces paperwork.

The key risk and disadvantage is AMA may make decisions (within the agreed terms of the Contract) which you may not necessarily make yourself.

Wholesale client - Advisory

Only a small number of our wholesale clients use this service. The advisory service has all the benefits of the Wrap platform and independent custodian but is different to our DIMS in that you must make all investment decisions. This works as follows:

- We recommend an investment portfolio suitable for your stated needs and on an ongoing basis, we will recommend changes to the portfolio. We will send you all the necessary information.
- You need to read all the information relating to all investment recommendations we make plus corporate actions occurring within the portfolio.

- We will only make changes to your investment portfolio once you approve it.

The pros and cons of this service are:

Pros	Cons
All the benefits of using the Wrap platform and independent custodian.	Lots of paperwork relating to recommended changes to the investment portfolio.
You have direct control on every change in your investment portfolio.	Takes time to read and understand the recommendations. Many of your decisions will be time sensitive so you need to be able to make the decisions within the specified timeframe.
Access to a wider range of investment products than retail clients can access.	May not get access to the same level of fee rebates.

Retail client – Advisory

The retail advisory service has all the benefits of the Wrap platform and independent custodian but is different to our wholesale DIMS and wholesale advisory service in that you must make all investment decisions, we treat you as a retail client and you have the full protection of the law. This works as follows:

- We recommend an investment portfolio suitable for your stated needs and on an ongoing basis, we will recommend changes to the portfolio. We will send you all the necessary information.
- You need to read all the information relating to all investment recommendations we make plus corporate actions occurring within the portfolio.
- We will only make changes to your investment portfolio once you approve it.
- We will only recommend investments available to retail clients via the Wrap platform and custodial service.

The pros and cons of this service are:

Pros	Cons
All the benefits of using the Wrap platform and independent custodian.	Lots of paperwork relating to recommended changes to the investment portfolio.
You have direct control on every change in your investment portfolio.	Takes time to read and understand the recommendations. Many of your decisions will be time sensitive so you need to be able to make the decisions within the specified time frame.

