



The mFund Settlement Service

The new way to access unlisted managed funds, brought to you by ASX

A new way to access managed funds



mFund Settlement Service is a world-leading innovation that allows you to invest in unlisted managed funds, using a simple and convenient approach.

The service uses CHESS, ASX's world-class electronic settlement system, to automate and track the process of buying (applying for) and selling (redeeming) units in these managed funds.

Investors' holdings in these funds ('mFunds holdings') are held electronically and can be linked to the same Holder Identification Number (HIN) used to hold other investments transacted through ASX, such as shares.

What is an mFund product?

An mFund product is an unlisted managed fund admitted through the ASX Operating Rules and available to investors/ advisers through the mFund Settlement Service. The ASX rule framework supports the mFund Settlement Service by ensuring all parties, including stockbrokers, issuers and unit registrars are accountable for their roles and responsibilities.

What are the key benefits of mFunds products?

Diversification

A diversified portfolio can reduce the level of investment risk by minimising the impact of poor performance by a particular industry or industry sector.

Potential wealth generation and wealth preservation

A well-chosen managed fund, used individually or in conjunction with other investments, can create a portfolio to assist your efforts to generate and protect your wealth.

Cost-effective investment

Investing in a managed fund is as affordable as investing in shares. You can start investing with a relatively small amount, adding to it cost effectively over time.

Access to a range of assets through specialised funds

Managed fund products can provide access to assets that may assist with portfolio diversification. These are assets in which individual investors may not normally be able to invest, due to financial limitations and restricted access to markets, research, information or insight to performance (especially for small or micro-cap stock or those within emerging markets).

What are the benefits of the mFund Settlement Service?

Efficiency, convenience, transparency and speed

- You don't need to complete application forms when buying new units, or selling existing units in an unlisted managed fund product through the mFund Settlement Service, saving you time and effort.
- You can access mFund products through your existing stockbroker, adviser.
- You receive the same high level settlement certainty enjoyed with shares, whilst gaining a holistic view of other investments held through ASX under a single CHESS HIN.
- The mFund website (www.mfund.com.au) provides timely access to a wide range of information about managed funds, including unit prices and related announcements.
- All application (buy) and redemption (sell) orders, ownership and payment transaction details are managed through CHESS and identified using the investor's HIN. This ensures that settlement is fast and certain, makes it easy for all parties to keep track of transaction details, and reduces the risk of data entry mistakes and other common errors.



What are risks of the mFund products?

Underperformance

While investing in managed funds provides access to different asset classes and industry sectors, there is always a risk that the managed funds' investments may underperform or decline in value. This will affect your return.

Asset class risks

Certain asset classes that managed funds hold may carry their own risks. For example, if a fund invests in international shares, its value may be affected by currency fluctuations.

Specialised funds

Some managed funds invest in specialised areas in an attempt to exploit potential high-growth opportunities. You may be taking on extra risk if you invest in a fund focused on a narrow section of the market.

No guarantee of Performance

Whilst ASX provides access to mFunds through the mFund Settlement Service, it is not the provider of mFund products and offers no guarantee over their performance. You must be given the Product Disclosure Statement (PDS) associated with each mFund product and make your own investment decisions. You should also seek professional financial advice.

What's the process to buy, step by step?

In order to apply (buy) units in an mFund product you must have an account with a stockbroker, or with an adviser who accesses ASX via a stockbroker.

It's important to remember that you must have received the mFund Fact Sheet and be given the Product Disclosure Statement (PDS) for the relevant mFund product before applying for units.



Step 1: Do your Research

Learn about the mFund Settlement Service and research available funds



Step 2: Contact a stockbroker or advisor

To discuss the funds you are interested in



Step 3: Review mFund information

Read the PDS mFund Fact Sheet and fund profile documents



Step 4: Instruct stockbroker/adviser

Your buy order and payment for new units in your chosen mFund are sent



Step 5: Your new mFund units are issued

New units in your mFund are transferred to your CHESS holding



Step 6: mFund confirmation & CHESS statement

Your mFund issuer sends a welcome pack and you receive an updated CHESS statement

What's the process to redeem (sell)?



Step 1: Contact stockbroker/adviser

Contact your stockbroker or adviser by phone, online or speak face to face



Step 2: Instruct stockbroker/adviser

Your sell order to redeem units from your mFund is sent



Step 3: Cash

mFund units are cancelled and money sent to your account



Step 4: mFund confirmation & CHESS statement

Your mFund sale is confirmed and you receive an updated CHESS statement

Frequently asked questions?

What is the mFund Settlement Service?

It's a service accessible for investors and advisers to buy and sell units in unlisted managed funds directly with fund managers via brokers.

What is the ASX's role?

The ASX provides a settlement service only. ASX does not guarantee the performance of mFund products.

Where can I access the list of mFund Products?

A list of mFund products is accessible from the mFund website, www.mfund.com.au.

How are the prices for the units in an mFund product set?

As with all unlisted managed funds, the prices of units are set by the fund manager.

Where can I access the mFund product prices?

mFund product prices are accessible at www.mfund.com.au. Stockbrokers are also expected to make pricing information available through their own portfolio management systems.

Where can I access the performance of mFunds?

Performance data for mFunds products will be accessible through the mFund website www.mfund.com.au.

What happens after an investor has bought units in an mFund?

Once an investor has successfully bought units in an mFund, they will receive a welcome letter or pack from the issuer. This will confirm the details of their investment, including the number of units purchased, the price paid and other details specific to the mFund product, such as whether there is an option to reinvest distributions.

What information is received while holding mFund products?

Announcements relating to mFund products will be released through ASX's regular market announcements service. From time to time, the holder will also receive communications directly from mFund issuers with information such as details of distributions.

Whenever there is a change in the number of units held in an mFund, ASX issues a CHESS statement confirming your unit holding. These statements are issued at the end of each month.

How do I find out more?

More information about the service, details of our Foundation Partners and performance details about the mFund products available can be found at:

www.mfund.com.au

Contact details

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Disclaimer

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