



# Commonwealth Private Wealth Service Offer Document

9 November 2023



# Welcome to Commonwealth Private

This document provides information about the Commonwealth Private Advisory Service provided to you by Commonwealth Private Ltd ABN 30 125 238 039 AFSL 314018 ('CPL', 'we', 'us', 'our').

It also provides information about the Commonwealth Private Wealth Service and contains important terms and conditions about this offering. When you apply to invest through the Commonwealth Private Wealth Service, you acknowledge and accept the terms and conditions set out in this document which will form part of the contract between you and Commonwealth Private.

## Wholesale clients

Commonwealth Private Wealth Service is available to persons who meet the requirements of a 'wholesale client' under the Corporations Act 2001 (Cth). You may be classified as a wholesale client (referred to in this document as a 'wholesale investor') if you satisfy one or more of the following criteria set by CPL:

- a. You have provided us with a certificate, given within the past two years by a qualified accountant, which states that you have net assets of at least \$2.5 million or had a gross income of at least \$250,000 for each of the last two financial years;
- b. You are a company or corporate trustee that is controlled by a person who holds a current certificate confirming they meet the assets or income test described in a) above;
- c. You are a trust that is controlled by individual trustees who each hold a current certificate confirming they meet the assets or income test described in a) above.

At our discretion, we may accept clients who satisfy another category of wholesale investor under the Corporations Act 2001 (Cth).

## Residency status

The Commonwealth Private Advisory Service and the Commonwealth Private Wealth Service is only available to Australian tax residents, and the services provided by CPL can generally only be provided when the client is physically located in Australia to receive the service.

Any person coming into possession of this document in jurisdictions outside Australia should seek legal advice and observe any restrictions under applicable law. Any failure to observe such restrictions may constitute a violation of applicable law. Minors can only invest through a trustee who is at least 18 years of age.

## About the Glossary

To assist you, a Glossary at the end of this document details the definitions for the legal and technical terms used throughout.

## Our relationship with the Commonwealth Bank Group

Commonwealth Private is a wholly-owned but not guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL and Australian credit licence 234945 and is associated with other Commonwealth Bank Group companies. The Commonwealth Bank of Australia and its subsidiaries do not guarantee or in any way stand behind the performance of or the repayment of capital by Commonwealth Private Wealth Service or investments made through the Commonwealth Private Wealth Service. The banking services mentioned in this document are provided by Private Bankers who are representatives of Commonwealth

Bank, and the financial advice services are provided by Private Wealth Managers who are representatives of Commonwealth Private Limited.

Investments through the Commonwealth Private Wealth Service do not represent deposits or other liabilities of the Commonwealth Bank of Australia or its subsidiaries and investment-type products are subject to investment risk, including possible delays in repayment, and loss of income and principal invested.

#### **Custodian and Sub-custodian**

CPL as operator and custodian of the Commonwealth Private Wealth Service has appointed State Street Australia Limited ('SSAL') ABN 21 002 965 200 as the Sub-custodian of the Commonwealth Private Wealth Service to hold, administer and report to CPL on the assets invested in through the Commonwealth Private Wealth Service. For further information about SSAL please see 'Custodian and Sub-custodian' in 'Other Important Information'.

#### **Beneficial ownership**

You are the beneficial owner of any of your assets that are subject to the custodial arrangements outlined in this document, and as such you will retain the rights to the capital and income of these assets. As you have not acquired these assets directly, your rights may differ from those persons who retain direct ownership of the assets.

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## Experience the difference with Commonwealth Private's wealth offer

As a successful Australian, your personal story is unique and complex. To continue building on what you've already achieved, you need expert investment advice tailored to your specific needs and aspirations.

That's why we're offering you an exclusive opportunity to become a Commonwealth Private wholesale advisory client. This means you'll have direct access to our core investment offering as well as a wider range of sophisticated investment opportunities than those typically available to retail investors.

### Eligibility criteria

If you meet our wholesale classification criteria as described on page 1, we invite you to take advantage of our bespoke advice service. At our discretion, we may also accept clients who meet other financial criteria – contact us to find out more.

### Outstanding personalised service

*Good advice is built on trust, and we strive to build trust with every client.*

As a Commonwealth Private advisory client, your dedicated Private Wealth team will work with you over the long term to help grow and secure your wealth. With highly experienced advisory professionals by your side, you'll get the financial advice you need to build on your success. They'll also help ensure you can leave a financial legacy when the time comes.

All our Private Wealth team members are remunerated via a salary, and do not directly receive any commissions or fees. However, they may receive an annual bonus payment if they achieve agreed objectives around client advocacy, business outcomes, leadership, strategic execution and risk management. They may also be eligible for some other monetary and non-monetary benefits. All benefits given or received are subject to CommBank's policies and procedures for Gifts & Entertainment. We work with an Approved Product List, so you can be certain that any strategy recommended has your best interests at heart.

### An extensive team of experts

*Every successful person knows the value of having the right experts within reach.*

At Commonwealth Private, your success will be guided by our in-house investment specialists – from portfolio managers, researchers and analysts to our dedicated Commonwealth Private Investment Committee. Their role is to support your Private Wealth team in building, managing and monitoring your portfolio, and ensuring you have a robust risk-and-return strategy in place.

Your Private Wealth Team will explain our core investment offering and work with you to understand whether one of our diversified model portfolios suits your personal circumstances. Each of our portfolios, from Conservative through to High-Growth, includes our Core Equity Portfolio comprising Australian shares.

Our dynamic asset allocation approach gives us the flexibility to review and update our house views across all asset classes, taking advantage of changing market conditions and values.





As your Private Wealth team constructs your investment portfolio, they'll tailor every investment recommendation to achieve a purposeful and decisive outcome. They can also help you unlock bespoke investment opportunities not typically available to retail investors, and take advantage of market intelligence and insights curated to match your personal circumstances.

## Backed by strength

*With experience and strength comes peace of mind.*

As a Commonwealth Private client, you'll be backed by one of Australia's leading banks and its extensive network of resources. Just some of these resources include CommBank's Global Markets team, equity services including IPOs and capital raisings, dedicated risk and regulatory teams, and world-class banking and investment platforms. All our investment decisions are informed by comprehensive research from internal and external sources.

## About Commonwealth Private

Commonwealth Private is one of Australia's largest providers of private banking services. We provide banking and advisory services specifically designed to meet the financial needs of successful Australians.

As a Commonwealth Private client, you'll be served by a dedicated Private Banker\* – your first point of contact for all your banking needs. They can support you in areas such as:

- complex home and investment property lending
- commercial lending
- credit facilities, including credit cards
- cash management solutions
- vehicle and equipment finance
- foreign exchange services

Our clients also benefit from Commonwealth Bank Group's latest banking and technology innovations, and a range of curated services and experiences.

Wholesale clients represent the top tier of Commonwealth Private, with direct access to our unique advisory services and bank-wide specialists. We can also connect you with like-minded peers and leaders from across our network.

\* Please refer to page 1 of this document for full details on our Private Bankers authorisation under the CBA AFSL and ACL.

# Commonwealth Private Wealth Service Offer

Monitor your holdings in real-time, with a purpose built investment platform that combines efficiency with simplicity and power.

Commonwealth Private Wealth Service is an investment advisory and dealing service which has been designed to optimise and manage your investment portfolio.

Features of the Commonwealth Private Wealth Service include:

- Investment opportunities
- Portfolio administration
- Implementation of your investment decisions
- Settlement of your investment decisions
- Custodial services
- Regular reporting on your investments
- Direction of dividends

You'll have access to our in-house investment management platform, with transactional and reporting capabilities spanning Australian and international direct equities, bonds and fixed interest, managed investments, unlisted securities, multi-currency holdings and more.

## Comprehensive client portal



### Sophisticated reporting

Monitor and manage a diverse range of holdings online, with 24-hour access to portfolio reporting of both listed and unlisted investments. Then receive a detailed quarterly portfolio statement, with tailored performance reporting providing a complete view of your family's holdings.



### Online collaboration tools

At your request, we can grant access to your platform to your accountant and other professional partner, so they can collaborate with you and your Private Wealth Manager to manage and optimise your financial position.



### A powerful investment platform

Ability to integrate with other systems and platforms to offer enhanced capabilities.



### Streamlined settlement and cash management

Use your Cash Account as a central cash hub with seamless settlement.



## Investments

### Listed securities (Australian)

Commonwealth Private Wealth Service offers and recommends investments in companies and securities listed on the Australian Securities Exchange ('ASX'), which will be held and settled via the Clearing House Electronic Subregister System ('CHES'). Settlement proceeds will be deducted from or credited to your Cash Account.

We will facilitate domestic listed securities trading by appointing AUSIEX as the broker. AUSIEX is a participant in the ASX Group. Orders for Australian listed securities are not processed in the name of CPL and are not subject to the custodial arrangements outlined in this document. The broking service is provided in accordance with AUSIEX's Share Trading terms and conditions which can be found at [ausiex.com.au/Public/ContactUs/Forms.aspx](https://ausiex.com.au/Public/ContactUs/Forms.aspx)

You should read and retain a copy of AUSIEX's Financial Services Guide, which contains important information about brokerage fees amongst other things. You should also read and retain a copy of AUSIEX's Best Execution Policy and Share Trading Terms and Conditions which can be found at [ausiex.com.au/Public/ContactUs/Forms.aspx](https://ausiex.com.au/Public/ContactUs/Forms.aspx)

### Listed securities (International)

Commonwealth Private Wealth Service also offers and recommends investments in companies and securities through international equity markets. We will facilitate trading in international equity markets through a stockbroker, State Street Global Markets, which will provide broking services in accordance with its usual broking terms and conditions as agreed with CPL. Such securities are registered in accordance with the custodial arrangements outlined in this document. We have arranged standard settlement instructions with our Sub-custodian, SSAL, for all international equity trading.

If you prefer to purchase international listed equity stocks, which are outside the recommended portfolio, we'll help you, as required.

Brokerage may apply – please consult with your Private Wealth Manager for more specific information.





## Unlisted assets

Commonwealth Private Wealth Service also offers investment in a range of unlisted assets, including managed funds, fixed-income products and institutional-type assets. Our team will arrange to buy or sell these assets on your behalf. The following conditions apply to unlisted assets:

- The investment manager for the unlisted asset determines the price you pay for the investment, which is typically available at the time of acquisition (e.g. when units are issued).
- Certain investment managers have differing rules as to when buying and selling orders will be accepted and processed, including – but not specific to – notice periods and cut-off dates. Our team will discuss these with you.
- Please note that it may take some time for the proceeds of the sale of these investments to become available to you. Our team will discuss this with you when any transactions are being arranged or advised.
- Investments in unlisted assets are typically registered in the name of SSAL (as Sub-custodian) and are subject to the custodial arrangements outlined in this document.
- You should read and retain a current copy of the relevant disclosure statements and/or offer documents for any unlisted asset we recommend to you.
- Fees may apply – please consult your Private Wealth Manager for more specific information.

# Investment risk

As someone who has achieved significant personal success, you're probably very aware that all forms of investment involve some level of risk. Generally, investments with low risk will have lower expected returns, while those with higher risk will have the potential for higher returns.

Your Private Wealth Manager(s) will work with you to determine your individual risk profile and develop an appropriate investment strategy. The investments selected may carry specific risks, so it's important to refer to the respective offer document for each of your investments to gain an understanding of those risks before making a decision.

## Understanding and mitigating risk

- **Diversification** is the most common method used to minimise risk exposure, by distributing a portfolio's funds across various asset classes as well as across various products or industries within each class. Investment managers structure their various portfolios based on the risk/return profile of their investors.
- **Conservative funds** are designed for investors with a low risk tolerance or short investment timeframe, typically investing in assets with low risk and relatively reliable returns – such as cash and fixed interest.
- **Balanced funds** are structured with investments across various asset classes. This diversification typically aims to take advantage of the potential for high returns of equities while maintaining a level of exposure to less risky assets such as cash, fixed interest and property.
- **High growth funds** are aimed at investors who are willing to accept the higher risk that can be associated with higher returns. Typically, these could be investments in equities with a high growth potential.

- **Specialised funds** are designed to concentrate on specific assets. They could allow you to increase your portfolio's overall exposure to the risk and return characteristics of that asset class, investment product or industry sector.

## What risks affect your investments?

The risks affecting your investments may include and are not limited to:

### Market risk

Investment returns are influenced by the performance of the market as a whole. This means your investments can be affected by changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in.

### Liquidity risk

Liquidity risk relates to the difficulty in quickly selling an asset for cash without negatively impacting the price you receive. Assets such as shares in large listed companies are generally considered liquid, while real assets such as direct property and infrastructure are generally considered illiquid. Under difficult market conditions, some normally liquid assets may become illiquid.

### Currency risk

Investments in global markets or securities that are denominated in foreign currencies carry the risk of foreign currency exposure. This means that the value of these investments will vary depending on changes in the exchange rate.



### **Credit risk**

A party to a credit transaction may fail to meet its obligations – for example, by defaulting under a mortgage, a mortgage-backed security, a hybrid yield security bond, a fixed-interest security or a derivative contract. This creates an exposure to underlying borrowers and to the financial condition of issuers of these securities.



## Implementing your portfolio

With Commonwealth Private Wealth Service, we provide a high level of dedicated personal service to efficiently manage your portfolio. Our team will act on your behalf under instruction to facilitate the execution, settlement, administration and reporting of the investments we offer. Working to your instructions, we will acquire, settle and hold the investments recommended for you.

### Cash Account

The Cash Account will operate as your central cash hub and offers the flexibility of an everyday transaction account. All investment transactions, including distribution and dividend payments and quarterly service fee payments, will be made on your behalf from this account. You will therefore need to maintain a suitable cash balance in this account at all times, and your Private Wealth Manager will discuss this with you, taking into account your fees, regular withdrawals and other transactions that may impact your Cash Account balance from time to time.

We will only arrange for application for the relevant investment if there are sufficient funds for settlement in your Cash Account.

Applications for Australian listed securities will be processed on your instruction through the broker and applications for international securities and unlisted assets will be made on your instruction by Commonwealth Private through the Sub-custodian.

In some instances, the money that is used to make an investment in Commonwealth Private Wealth Service, may be held overnight in an account under the control of Commonwealth Private as a result of a delay in facilitating settlement with the relevant unit or share registry for the investment. This account is non-interest bearing.

We will direct debit your Cash Account for our service fees after the end of each quarter.

You should read and retain a copy of Cash Account terms and conditions which will be provided to you as part of the Cash Account application process. If you have specific queries about the key features and operations of the Cash Account, you can speak with your Private Wealth Manager.

### Providing instructions

You can provide us with instructions for your current or proposed investments in person, by telephone or email. Our team will submit instructions on your behalf to the Sub-custodian electronically. For more information, please see 'Liquidity' below.

### Security of phone and email requests

We have implemented procedures to minimise the risk of fraud. When you provide us with email instructions, we'll verify these by contacting you.

Please be aware of the risk that fraudulent email withdrawal requests may be performed by someone else who has access to your personal details and ensure you keep your email account secure. We reserve the right to add further requirements to our email verification procedure at any time. If you no longer wish to instruct us via email, please notify us in writing.



## Buying your investments

You'll provide the Commonwealth Private Wealth Service team with instructions in relation to buying your chosen investments. We will manage the settlement of all investment transactions.

## Selling your investments and other withdrawals

When you wish to sell all or part of your investment in an asset, Commonwealth Private will instruct the relevant investment manager or broker to apply on your behalf for a redemption, withdrawal or other applicable exit from the investment.

The proceeds from the sale of your investment will be deposited into your Cash Account. You can make a request for a withdrawal of shares or units from an investment in whole units or dollar amount. If, as a result of market movement, the dollar amount you request for withdrawal exceeds the total value of your investment holding, we will assume your request relates to your entire holding in that particular investment. For unlisted assets, the timing of the redemption request depends on each investment and is disclosed in the memorandum of information or Product Disclosure Statement (PDS) available on the product provider's website.

Please note that selling your investments may have tax consequences and you should consult your accountant or tax adviser before making the request.

## Liquidity

Some investments available through Commonwealth Private Wealth Service may not be liquid. Similarly, it may be necessary to aggregate redemption requests from various clients before making a redemption request. This may be because of, for example, the minimum holding requirements of a particular investment. Such factors may delay us actioning your request to withdraw from an investment held through us.

In all cases, redemptions will be subject to the terms of the underlying investment and any investment-specific restrictions or prohibitions that apply. If you wish to dispose of an investment held through us and the relevant investment cannot be redeemed, it may be possible to transfer your interest in the investment to another client, although we cannot guarantee this will occur. Your Private Wealth Manager will discuss any potential liquidity issues with you before implementing your redemption request.

## Corporate actions

Fund managers or companies may ask their investors to make a decision regarding their investments – for example, voting for a change in the constitution of a managed fund, voting at company meetings and participating in a rights issue. These types of decisions are called corporate actions. We do not include distributions as corporate actions for the purposes of this section.

Once we receive the appropriate documentation from the company or fund manager, we'll send your Private Wealth Manager any documents relating to a corporate action in which investors are invited to participate.

If a decision is required, you or your Private Wealth Manager will receive an email requesting a response. Your Private Wealth Manager will then respond according to your instructions. In some cases, the email may indicate that if you don't respond, you will be deemed to have instructed us in a particular way.

Where investments are held by the Custodian, the terms of underlying investments may not permit us to split instructions to the relevant issuer or fund manager. Under such circumstances, we will generally provide instructions to the issuer or fund manager based on the majority (by value) of instructions received from clients who hold an investment through Commonwealth Private Wealth Service. Clients who provide instructions in the minority will be deemed to have provided instructions that align with the majority view.

If funding is required as a result of the corporate action, you must ensure you have enough money in your Cash Account. If we don't receive your instructions in time or they aren't clear, we won't be able to proceed – and won't be held liable for any loss of profit or opportunity you may experience as a result.

## Switching your investments

You may sell existing investments at any time and use the proceeds of the sale of these investments to purchase new investments or add to existing investments in your portfolio – this is known as switching your investments. The proceeds from the sale cannot be used to fund a buy transaction until there are cleared funds in your Cash Account. The Commonwealth Private Wealth Service team will monitor the transaction and let you know when cleared funds are available for use in purchasing another investment where required.

Please note that switching your investments may have tax consequences and you should consult your accountant or adviser before deciding to switch.

## Distributions

Distributions from your investments are credited into your Cash Account. If you prefer to reinvest your income distributions, please let us know in writing. Please note that some investments available through Commonwealth Private Wealth Service may not permit reinvestment and you should refer to the relevant memorandum of information or PDS available on the product provider's website.

## Transferring your assets

We can help you transfer assets to the Commonwealth Private Wealth Service if you wish to do so. The transfer of assets may trigger tax or other costs associated with the transfer. You should consider this when deciding to transfer assets. To exit Commonwealth Private Wealth Service, you will generally need to sell or transfer out your investments which are held under the custodian arrangements.

### *Can your investments be sold without your express consent?*

In a limited number of circumstances we have the right to sell some or all of your investments without receiving the usual trade instruction from you, after making reasonable attempts to contact you and sending you 30 days written notice. This includes circumstances where:

- You do not keep sufficient cash in the Cash Account for fees and charges and other money you owe.
- Commonwealth Private makes a decision to no longer offer you, or continue to offer you, the Commonwealth Private Wealth Service (for example, if we determine that your dealings with us don't meet reasonable standards), we can cancel your Commonwealth Private Wealth Service and sell your investments.
- You enter any form of insolvency, or we have a reasonable basis to conclude that you can't pay your debts when due, we can cancel your Commonwealth Private Wealth Service and sell your investments.
- The balance of your investable funds under our management falls below the minimum of \$2.5 million in aggregate, across all of your accounts.

If we decide to stop offering our services, we would generally sell your investments after consulting with you first.

Commonwealth Private may also sell some or all of your investments to comply with or avoid a breach of law, such as, for example, if you no longer satisfy the requirements to be considered as a wholesale client. In these circumstances it may not be possible to provide you with 30 days' notice.

If we sell the investments in your portfolio, we'll take out any money owed and pay the balance into your Cash Account.

Whenever investments are sold or transferred, there are likely to be tax consequences – including when we sell your investments without your express consent.

Commonwealth Private Wealth Service will not be liable for any negative impact on your tax situation as a result of closing your account.

### **Partly paid investments**

Some investments available through Commonwealth Private Wealth Service are offered on a partly paid basis and may be subject to capital calls or instalments. When the product issuer makes a call on a partly paid investment, we'll communicate the call to you at the earliest possible opportunity. If you wish to invest in partly paid investments, you'll be required to maintain a sufficient cash amount in your Cash Account. We may, at our discretion, require additional or other forms of collateral to secure the payment of future calls.

If you fail to meet a call made by the product issuer, you agree that we may use the money in your Cash Account to meet the relevant payment. If that amount is insufficient, you agree that we may liquidate other assets held through us and apply the proceeds to payment of the call and associated costs.

If you wish to invest in a partly paid investment offered through Commonwealth Private Wealth Service, we'll notify you of any additional terms and conditions in relation to calls and collateral before we permit the investment.

## Reporting

### Quarterly portfolio valuations

We'll provide you with consolidated and entity reporting of all the assets you hold through Commonwealth Private Wealth Service. You'll receive quarterly portfolio statements after the end of each calendar quarter – 31 March, 30 June, 30 September, 31 December.

### Pricing information

Pricing on listed and unlisted securities, including managed funds, will be provided by the nominated service provider of the pricing data to the platform.

All managed fund prices that we quote are historical. Although the prices are the most recently available from the nominated service, they are not necessarily the prices you would receive if you sold your units today.

### Annual tax statement

We prepare an annual summary covering the previous financial year and provide it to you after the end of the relevant financial year, which may assist you and your accountant in completing your annual tax return. This annual summary includes details of the income you earned, broken down into the various income tax components and realised capital gains/losses from the disposal of investments during the previous financial year.

## Fees and charges

The fees outlined in the Client Service Agreement will apply from the date of commencement of that agreement. If you have invested with us through the Commonwealth Private Wealth Service, all fees set out in the Client Services Agreement are charged on an annual basis, calculated daily and payable quarterly in arrears. The fees will be deducted from your Cash Account via a direct debit.

These fees include brokerage on all Australian equity trades but exclude any brokerage or other fees payable in relation to international equity trades and unlisted assets. These fees also exclude any costs, charges, fees or expenses you incur for professional services, including those provided by solicitors, accountants and tax advisors. These fees also do not include any fees charged by external investment platforms that may be used, such as a 'wrap' account.

For an unlisted asset, the ongoing cost of the investment may be disclosed as a management expense ratio (MER) or indirect cost ratio (ICR) by the relevant fund manager. Additionally, some product providers or investment managers may charge a performance fee when certain performance measures are met that is not included in the MER or ICR. This is typically the ratio of management, trustee and other expenses of the relevant fund or other investment vehicle, as a proportion of its net asset value – and is not included in the fees disclosed above. Investment costs are usually deducted from investment earnings before they are passed on to investors or reflected in the price of the investment. You should refer to the prospectus/disclosure document for each of your underlying investments for more details.

Investments may also attract a buy/sell spread, which can vary for managed funds and unlisted investments.



Some investment managers disclose a price difference between buying and selling an investment – for example, a charge by the fund manager for buying and selling units in a managed fund. You should refer to the offer document for each of your underlying investments for more detail on these price differences.



## Tax

Just as every investor's investment goals are personal, so are the tax implications. We recommend you seek and take your own detailed tax advice about your investment with us. The precise tax implications for you will depend on your particular circumstances and the investments that you make.

We have provided a high-level summary of some of the Australian income tax implications that may apply to your investments through the Commonwealth Private Wealth Service. This information applies to Australian resident investors that hold their investments on capital account – it does not consider any issues for investors that hold their investments on revenue account.

### Custodian arrangements

Under the custody arrangements, the underlying investments will be beneficially owned by Investors. In particular, the investments will be held on trust for Investors pursuant to the Deed Poll executed by Commonwealth Private as the custodian. For further information about the Deed Poll see "Custody Deed Poll" in "Other Important Information". SSAL, as the Sub custodian, will hold assets on behalf of Commonwealth Private.

As the Investors retain beneficial ownership of the underlying assets, the income and realised capital gains/losses derived from these assets will be beneficially derived by the Investors for Australian income tax purposes.

## Tax statements

We will provide you with an annual tax statement setting out the types of income and realised capital gains and/or losses you derived as an investor, together with a summary of any tax attributes that relate to the relevant income – for instance, franking credits in relation to dividends received.

The types of income derived by an investor will depend on the investments made, but may include:

- Dividends
- Interest
- Capital gains
- Distributions from managed investment trusts
- Foreign income.

In relation to some of these, please note:

- Dividends received from Australian resident companies may include franking credits. Investors who satisfy certain conditions may be entitled to a tax offset in relation to the franking credits received.
- Investors may make realised capital gains or losses from underlying disposals of investments.
- Distributions from foreign investments may be subject to foreign withholding tax. Subject to the satisfaction of certain conditions, investors may be entitled to a foreign income tax offset in relation to this withholding tax.

- Distributions from an underlying managed fund may comprise of various tax components, including distributions of capital gains and distributions of non-assessable amounts such as tax-deferred incomes. These tax components will be separately identified on each investor's annual tax statement.
- Investors will be subject to income tax on amounts derived or received, even if those amounts have not been physically distributed or were subsequently reinvested with us.

## Disposal of investments

If you dispose of your investments, you may have a Capital Gains Tax (CGT) liability.

## Tax File Number (TFN)

You will be asked to provide us with your Tax File Number (TFN), or Australian Business Number (ABN) if you are making this investment in the course of a business. It is not an offence not to provide us with your TFN or ABN – however, tax may be withheld at the top marginal rate, including Medicare levy, on gross payments you receive where you do not provide us with this information.



## Other important information

### Custody Deed Poll

CPL has executed a Deed Poll which governs the custody features of Commonwealth Private Wealth Service. When you apply to invest through Commonwealth Private Wealth Service, you agree to be bound by the terms of the Deed Poll for the Commonwealth Private Wealth Service (as amended from time to time).

Some of the matters addressed in the Deed Poll include:

- that CPL will hold your Commonwealth Private Wealth Service assets on bare trust for you on the terms of the Deed Poll;
- how custody records will be maintained and your instructions will be dealt with;
- CPL's ability to appoint Sub-custodians;
- the ability of CPL to recover properly incurred expenses in acting as custodian;
- CPL's (and its delegate's and agent's) indemnity for any liability, loss, claim, demand, damage, expense or cost (net of any input tax credit entitlement) incurred in properly performing or exercising any of their powers or duties;
- circumstances in which CPL will not be liable, including where it acts in good faith and without negligence, fraud or wilful default, in accordance with the standard of care set out in the Deed Poll.

CPL may make changes to the Deed Poll in accordance with its terms. Please contact us if you would like to have a copy of the Deed Poll.

### Custodian and Sub-custodian

CPL has appointed SSAL as Sub-custodian. SSAL does not hold assets for you, and has no direct relationship with you. SSAL's obligations are limited to the provision of services under its custodian agreement. SSAL has not undertaken any obligations to you.

SSAL has no duty of care to you, whether in tort or contract or otherwise at law or in equity, and expressly disclaims liability to you or any other person. SSAL will accept instructions from CPL, according to its custodian agreement, and will not accept any instructions from you. SSAL has not authorised or caused the issue of this document. SSAL disclaims any liability in relation to this document.

### Our Relationship with You

By signing the Commonwealth Private Wealth Service Client Application Form and investing through Commonwealth Private Wealth Service, you:

- agree to bound by the Custody Deed Poll;
- acknowledge that Commonwealth Private is authorised under the Deed Poll to appoint Sub-custodians and has at the date of this Offer Document appointed SSAL to hold Commonwealth Private Wealth Service investments as Sub-custodian;
- authorise Commonwealth Private, as your agent and on your behalf, to issue investment instructions to SSAL, including requests to buy or sell any investments;
- acknowledge SSAL's role with respect to Commonwealth Private Wealth Service and your Liabilities and indemnities;
- understand that CPL may provide services similar to the Commonwealth Private Wealth Service to other persons and is not obligated to disclose to you anything that comes to the notice of CPL in the course of providing such services to other persons;
- understand that CPL may in the ordinary course of its business and without reference to you, effect transactions in which CPL has directly or indirectly a material interest or relationship of any kind with another person, which may involve a potential conflict with



CPL's duty to you, and CPL is not liable to account to you for any profit, commission or remuneration made or received in relation to those transactions or any connected transactions.

- consent to your information being shared with the relevant third-party suppliers that provide services to CPL as required to implement your investments. This may include providing your personal information to suppliers located outside of Australia;
- understand the contract – in the form of the terms and conditions of this document – between you and us, formed when you sign the Commonwealth Private Wealth Service application form and are registered to participate in Commonwealth Private Wealth Service.

Subject to the *Corporations Act 2001 (Cth)*, we are not liable if we act in good faith on expert advice:

- To you, except to the extent of the *Corporations Act 2001 (Cth)* says that we are liable
- To other persons, except to the extent that we may be indemnified out of your account.

You indemnify us for any liability arising from us properly performing our duties or from the acts or omissions of one of our agents.

If you provide us with email instructions, we'll attempt to verify these by contacting you. You release us from, and indemnify us against, all losses and liabilities arising from any payment or action we make based on any instruction (even if not genuine) that we receive by email and any email attachment bearing your name and a signature that appears to be yours, or that of an authorised signatory on the account. You also agree that neither you nor anyone claiming through you has any claim against us or the Commonwealth Bank Group in relation to these payments or actions.

We are not responsible for the acts or omissions of companies or underlying fund managers accessed through Commonwealth Private Wealth Service, or for the form and content of any offer documents provided in respect of such investments.

If you are a consumer, as defined in consumer protection laws, our service comes with a non-excludable warranty that it will be carried out with due care and skill, and will be reasonably fit for purpose. If we breach any of these warranties you may be entitled to compensation. If you are not a consumer as defined in the consumer protection laws, our liability for loss or damage is limited to resupplying the service to you or paying the costs of having the service resupplied to you. When you are a consumer under consumer protection laws, our liability is limited to resupplying the service to you or paying the costs of having the service resupplied to you, but only to the extent permitted by those laws.

You acknowledge that investments in the Commonwealth Private Wealth Service are not deposits with, or other liabilities of, the Commonwealth Bank of Australia or its subsidiaries, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. The Commonwealth Bank of Australia and its subsidiaries do not guarantee or stand behind the performance of the investments held through this service nor do they guarantee the repayment of capital from Commonwealth Private Wealth Service.

## Implementing and administering your portfolio

By signing the Commonwealth Private Wealth Service Client Application Form, you acknowledge that you have read and accepted the terms and conditions outlined in this document regarding the execution, settlement and administration of your investments through the Commonwealth Private Wealth Service.

## Circumstances in which we may refuse to act

We may refuse to, or be unable to, act on instructions in whole or in part, including a withdrawal request, in a number of circumstances, including if:

- We doubt the validity of the instruction, and are unable to substantiate its validity after reasonable attempts to contact you; however, we are not required to enquire whether instructions are genuine or proper.
- We are not satisfied as to the meaning of an instruction or it contains insufficient information, and after reasonable attempts to contact you we are unable to confirm this information to the level required for us to act upon it.
- There are insufficient funds in the Cash Account to meet the instruction.
- It would breach any law, regulation or industry code.
- There is a systems failure.
- The withdrawal request is for less than any applicable minimum amount.
- The withdrawal might adversely affect other Commonwealth Private Wealth Service clients.
- The managed fund or other unlisted asset from which you have requested a withdrawal is not liquid.

Where we have not acted upon your instruction in whole or in part we will contact you.

Subject to the above, we are required to take reasonable steps to give effect to instructions but are not required to do so by any particular time. We may also determine the order in which we carry out instructions.





## **Anti-Money Laundering and Counter-Terrorism Financing laws and sanctions**

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions under the Australian Autonomous Sanctions. Sanctions can cover various subject matters including financial restrictions.

Consequently, the Bank may be prohibited from dealing with certain persons or entities. This means that if the Bank is aware that you are a proscribed person or entity, then the Bank maybe required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze assets of yours. You could incur significant costs as a result of these actions.

We collect your information because we are required to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, to meet our obligations in relation to external payment systems and under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to).

## **Your right to receive communications**

We must ensure that copies of all communications that are required by law to be given in relation to the investments you hold through us are given to you if you request them. If you make a request in relation to a particular future communication or a standing request in relation to a class of future communications, we must give a communication to you as soon as possible after the information is received or available.

We will assume that you don't wish to receive any communications about investments held on your behalf through us, including annual reports, notices of meetings, or notices of changes in investment policies or fees and other costs – but you may elect to receive such communications by making a written request to your Private Wealth Manager.

## Assignment of rights

You cannot assign or try to assign any of your rights or obligations under this document without our prior written consent. Without this consent, any assignment is void.

We may assign any of our rights or obligations under this document– for example, someone else could operate Commonwealth Private Wealth Service – and may delegate or sub-contract our functions under this document without prior notice to you and without your consent, but we remain liable for those agents if we do. Commonwealth Private, as custodian may also request that the Sub-custodian transfer all assets to another Sub-custodian without your consent.

## Changes to the agreement

We may waive or make changes to all or any part of this document, which forms our agreement with you. This includes changes to the fees we charge. In addition, we are able to change the way we run our Commonwealth Private Wealth Service. We will provide you with at least 30 days' notice of any material changes which impact the terms or services of our agreement with you or where there is a change to the fees that we charge. We may, from time to time, vary this document in order to:

- Add, change or remove any concessions or other benefits
- Adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator
- Accommodate changes in the needs or requirements of our clients, such as new product features or services
- Correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities
- Bring us in line with our competitors, industry or market practice or best practice in Australia or overseas
- Reflect changes in technology or our processes, including our computer systems.

In addition, we may from time to time vary any of this document for reasons other than those mentioned above – for example, due to unforeseen events.

Our rights, powers and remedies are cumulative and are not exclusive of those provided by law. We are not liable for any loss caused by the exercise or attempted exercise of these rights, or by a delay or failure in exercising them.

## Closing your account

You may close your portfolio account by giving us 30 days' written notice. We may close your account or cease offering our Commonwealth Private Wealth Service as outlined in 'Implementing your portfolio' under 'Can your investments be sold without your express consent?', but we will give you at least 30 days prior written notice, and we will consult with you on transition arrangements where appropriate.

## What else should you be aware of?

If part of this document– or its application to any person or circumstance –becomes invalid or unenforceable, then the other provisions are not affected.

Nothing in this document makes us (or our agents) your partner, agent or legal representative or creates any partnership, agency or trust, and you cannot bind either the service or us in any way.





# Glossary

Here are some definitions and explanations to help you to understand some of the legal and technical terms used in this document.

## Broker or AUSIEX

Australian Investment Exchange Ltd  
ABN 71 076 515 930 AFSL 241400,  
a participant of the ASX Group.

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## Cash Account

Your Cash Account which is linked to the Commonwealth Private Wealth Service and operated from time to time by us in accordance with this document and your Client Service Agreement (as well as the terms & conditions of your Cash Account).

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## Client Service Agreement

The agreement between you and us which details the advisory services we agree to provide you and the fees you agree to pay in respect of those advisory services.

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## Commonwealth Private Wealth Service

The investment advisory, dealing and custodial platform service operated by CPL and through which CPL manages your individual portfolio of assets.

## Commonwealth Private, CPL, we, us, our

The operator of Commonwealth Private Wealth Service, Commonwealth Private Ltd ABN 30 125 238 039 AFSL 314018. Commonwealth Private is responsible for the publication and content of this Offer Document.

Commonwealth Private also:

- Maintains your trading account and forwards all relevant information about your account to the CRM and PMM Supplier
- Acts under your instructions and administers your trading passwords and PIN
- Communicates to the CRM and PMM Supplier and the Sub-custodian on your behalf on all relevant matters of your concern
- Validates your funds availability for trading purposes
- Maintains your Cash Account
- Delivers the quarterly, annual and audit reports to you
- Collects all relevant fees and expenses on your behalf

Acts on all other matters covered in this Offer Document.

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## CRM and PMM Supplier

The supplier that provides us with the Customer Relationship Management and Portfolio Management Module that records and reports on your investments.

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## Custodian

Commonwealth Private.

## Deed Poll

The Custody Deed Poll executed by Commonwealth Private under which it agrees to act as custodian of investments held through Commonwealth Private Wealth Service.

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## Investor

A person who has completed the Commonwealth Private Wealth Service Client Application Form and has invested through in the Commonwealth Private Wealth Service.

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## Investment(s)

Where we have used the word “investment” or “investments” in this Document, unless otherwise specified, we are referring to the amounts invested in the Commonwealth Private Wealth Service (or amounts that will be placed there upon completion of advice or execution only services).

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## Offer Document

The contract – in the form of the terms and conditions of this document – between you and us, formed when you sign the Commonwealth Private Wealth Service application form and are registered to participate in Commonwealth Private Wealth Service.

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## Private Wealth Manager

A Private Wealth Manager is the collective term used for both Private Wealth Directors and Private Wealth Managers. A Private Wealth Manager is the person who is authorised to provide you with personal advice.

## Proscribed person

A person or entity that appears to us:

- a. to be a proscribed person or entity under the
  - b. Charter of the *United Nations Act 1945 (Cth)*; to be a designated person under the Australian Autonomous Sanctions Regime maintained by the Australian Department of Foreign Affairs and Trade;
  - c. to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism financing;
  - d. to appear in a list of persons with whom dealings are proscribed by the laws, government or a regulatory authority of any jurisdiction; or
  - e. to act on behalf of, or for the benefit of, a person or entity listed in (a) to (d) above.
- 

## Regulator

A governmental or law enforcement body empowered from time to time to regulate laws. Regulators include, but are not limited to, the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Reserve Bank of Australia (RBA), the Department of Foreign Affairs and Trade (DFAT), the Australian Securities and Investments Commission (ASIC) and the Australian Federal Police (AFP).

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## Related body corporate

As defined in the *Corporations Act 2001 (Cth)*.

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## Sub-custodian

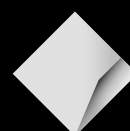
Any person appointed by the Custodian under the Deed Poll as Sub-custodian for the service, to hold the managed funds and securities on behalf of the Custodian. Currently the Sub-custodian appointed by the Custodian is SSAL.

**Commonwealth Private Ltd**

ABN 30 125 238 039 AFSL 314018

Commonwealth Bank of Australia ABN 48 123 123 124

[commbank.com.au/commonwealthprivate](https://commbank.com.au/commonwealthprivate)



**Commonwealth  
Private**