



# FINANCIAL SERVICES GUIDE

**16 May 2016**

**Australian Corporate Bond Company Limited**

**(ACN 169 442 657)**

**Authorised representative (469037) of Theta Asset  
Management Ltd (ACN 071 807 684 AFSL 230920)**

This Financial Service Guide (FSG) is an important document which outlines the types of financial products and financial services Australian Corporate Bond Company Limited (ACBC or we) may provide. It is designed to assist you in deciding whether to use the financial services and products we offer. The FSG contains important information including:

- who we are and how we can be contacted;
- what financial services and types of financial products we are authorised to provide to you;
- our associations and relationship with Theta Asset Management Ltd (Theta) as the authorising licensee;
- how we (and any other relevant parties) are remunerated; and
- how complaints concerning us are handled.



## Our financial services and financial products

---

ACBC is a Corporate Authorised Representative of Theta, the holder of an Australian Financial Services Licence.

ACBC may provide the following financial services:

- ▶ General financial product advice about the products listed below (including model portfolios for use both directly and via a separately managed account service provider); and
- ▶ Deal in the financial products listed below by applying for, acquiring, varying or disposing of those products on behalf of another.

The financial services may only be provided in relation to the Australian Corporate Bond Trust ARSN 603 010 779 (**ACB Trust**). The ACB Trust is divided into separate classes of Exchange Traded Bond units (**XTB**), with each class of XTB representing a separate and distinct underlying bond.

We are authorised to provide financial services to retail and wholesale clients.

## Other disclosure documents

---

Before you can invest in XTBs we are required to provide you with a Product Disclosure Statement (PDS). The PDS contains important information regarding the features, benefits, risks and fees applicable to an investment in an XTB, and should be read carefully to enable you to make an informed decision about whether to invest in an XTB. Applications can only be made by Authorised Participants, all other investors should acquire XTBs on ASX. You should consult with your licensed financial adviser if required.

A Statement of Advice (SOA) will normally be given to you when you are provided with any personal financial product advice, which takes into account your objectives, financial situation and needs. We do not provide personal financial product advice. Therefore, we will not provide you with an SOA. An intermediary (such as a financial planner, stockbroker or dealer group) may provide you with an SOA.

# Dealing with ACBC Remuneration for services provided

You can communicate with us by telephone, mail, email or via our website. When you issue us with instructions about an investment, you'll need to do this in writing in most circumstances.

## Key relationships

Theta, under its AFSL, grants the authority under which ACBC may provide the financial services on Theta's behalf. Theta is also the Responsible Entity and issuer of XTBs. Apart from Theta, we do not act as a representative of any other licensee.

ACBC is the Securities Manager of ACB Trust and also provides administration services in relation to XTBs.

ACBC is part of the Global Bond Exchange Pty Limited group of companies. Associated entities of ACBC may also provide services in relation to XTBs and their investments.

ACBC is entirely independent of Theta. However, the majority of other service providers to the ACB Trust and/or its investments (apart from the custodian, registrar and auditors) are associated entities of ACBC or otherwise part of the Theta group of companies.

ACBC receives fees for managing XTBs based on the face value of the underlying bonds for each class of XTB multiplied by the number of years to maturity of the underlying bond corresponding to that class of XTB.

ACBC's fees relating to the management of the ACB Trust are referred to as the Securities Manager's Margin in the relevant PDS for the XTBs. The Securities Manager's Margin is currently 0.40% of the face value of the underlying bonds x number of years to maturity for fixed rate bonds. For XTBs that have floating rate notes as the underlying bonds, the Securities Manager's Margin is 0.20% of the face value of the underlying bonds x the number of years to maturity.

The Securities Manager's Margin is payable by Authorised Participants when they acquire XTBs, it is not a separate fee charged to individual investors when they acquire XTBs on ASX. However, it is expected that the market price for XTBs will reflect the Securities Manager's Margin in the price at which XTBs are offered for sale on ASX.

If an Authorised Participant applied for 100 YTM BHP on 18 October 2015 the Securities Manager's Margin payable would be:

$$\$10,000 \times 0.40\% \times 2 \text{ years} = \$80.00$$

Where:

- The face value of the underlying bond = \$10,000
- 0.40% is the Securities Manager's Margin; and
- The underlying BHP bond matures on 18 October 2017 = 2 years until maturity.

- The Authorised Participant can only apply for XTBs in multiples of XTBs that represent a whole underlying bond, in this case the face value of a BHP bond is \$10,000 therefore the Authorised Participant can only acquire YTM BHP in multiples of 100 XTBs.

Most of the underlying bonds have minimum transfer amounts of \$500,000, in those cases Authorised Participants must apply for at least 5,000 XTBs. No such limitation applies to transactions on ASX.

Where ACBC provides model portfolios to a separately managed account platform provider it will receive a model portfolio fee up to a maximum of 0.20% of the notional value of the portfolio. These fees are calculated and collected by the separately managed account platform provider and paid to ACBC.

We may also be entitled to recover expenses incurred on behalf of the ACB Trust. The remuneration and expense recoveries we will receive, including worked dollar examples, are set out in the relevant PDS for XTBs.

Theta receives fees from the Securities Manager for its role as responsible entity of the ACB Trust calculated as a percentage of funds under management (**FUM**). Theta fees are:

- Responsible Entities Fee: The greater of \$50,000 or 0.15% of FUM, and
- Annual Audit management fee: \$7,500.

Theta also receives fees for providing the licence authority to ACBC. The licence authority fee is paid by ACBC and is not a cost borne by you. Theta also receives fees for providing a licence authority to an associated entity of ACBC. The licence authority fee is paid by the associated entity of ACBC and is not a cost borne by you.

Details of all fees, expenses, transactional and operation costs and other payments are available in the relevant PDS for each Class of XTB.

Apart from the fees described above, we do not receive any fees, nor do we charge you additional fees, for providing financial product advice.

Financial advisers and intermediaries may also receive fees paid by you and typically this will be disclosed in their FSG and SOA that they must give you. We may pay commission to financial advisers. These fees must be disclosed in the financial advisor's SOA.

Our employees who give you general advice do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of predetermined objectives.

Various members of Theta and ACBC and their directors and employees provide certain financial, information technology, human resource and other services to us to enable us to provide the services described in this FSG. They will not be separately remunerated by you. The costs of providing these services will be paid by us from the fees we receive.

Neither Theta nor ACBC receive any remuneration for referring another person to Theta, us or XTBs.

## Compensation arrangements

---

Theta holds professional indemnity insurance in respect of financial services provided to our clients. This insurance covers claims in relation to the conduct of our past and present representatives. These arrangements comply with the requirements of section 912B of the Corporations Act 2001 (Cth).

The offer of XTBs is insured under a professional indemnity insurance policy which provides cover for fund professional civil liability and management liability resulting from third party claims as a result of issuing the PDS.

## Personal information

---

ACBC and Theta are committed to protecting your privacy and the confidentiality of any personal information that we collect from you.

The information we collect from you will be primarily used to manage your investment in the trusts. We will collect, hold and use your personal information to assess your application, service your needs as a unitholder and to facilitate distribution payments and communications to you as a unitholder.

ACBC's and Theta's Privacy Policies detail how we comply with the requirements of the Privacy Act in the handling of your personal information. A copy of those policies can be obtained by visiting our websites at:

[www.xtbs.com.au](http://www.xtbs.com.au)  
[www.thetaasset.com.au](http://www.thetaasset.com.au)

## Complaints Handling

---

ACBC and Theta have a formal process for the handling of complaints. If you have a complaint you should at first instance contact:

### **Compliance Manager**

Theta Asset Management Ltd  
PO Box Q423  
QVB Sydney NSW 1230  
Phone +61 2 8012 0638

We will let you know that we have received your complaint and the Compliance Manager will aim to resolve your complaint within 45 days. If it is not possible to resolve your complaint within 45 days, we will inform you of the status of your complaint and the reasons for the delay.

If you are not satisfied with our handling of your complaint you may lodge a written complaint with the:

### **Financial Ombudsman Service (FOS)**

GPO Box 3  
Melbourne VIC 3001  
[www.fos.org.au](http://www.fos.org.au)  
Phone:1300 780 808  
Fax: +61 9 613 6399

FOS is an external dispute resolution scheme.

## Record keeping

---

Theta will seek to ensure that comprehensive and accurate records of all transactions and investments undertaken, and documentation executed, are properly maintained.

## Contact details

---

Australian Corporate Bond Company Ltd  
Suite 2, Level 10  
1 Chifley Square  
Telephone: 1800 995 993  
Email: [investors@xtbs.com.au](mailto:investors@xtbs.com.au)  
[www.xtbs.com.au](http://www.xtbs.com.au)

Theta Asset Management Ltd,  
Suite 501, Level 5  
210 Clarence Street,  
Sydney NSW 2000  
Telephone: 02 8012 0638  
Email: [invest@thetaasset.com.au](mailto:invest@thetaasset.com.au)  
[www.thetaasset.com.au](http://www.thetaasset.com.au)

This FSG is issued in accordance with the requirements of the Corporations Act 2001 (Cth).  
This FSG only relates to the financial services provided in relation to the ACB Trust and has been authorised for distribution by Theta.

