

Australian Securities and Investments Commission
Level 24 120 Collins Street
Melbourne VIC 3001

For the Attention of: Gerald Yip, Senior Lawyer, Investment Managers and Superannuation

email: feedbackforAMFS@asic.gov.au

By post and email

Dear Sirs

Consultation Paper 208, ASX Managed Funds Service: Relief from the application form requirement

Further to the above consultation paper please find enclosed a table of our responses. If you have any further queries please contact Mr. Alex Wise our Chief Operating Officer.

Yours faithfully

Select Asset Management Ltd

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B1Q1 Do you agree with our proposal to grant relief to responsible entities? If not, why not?	We agree with the proposal.
B1Q2 Do you consider that the conditions for relief are appropriate compared to the conditions outlined in [CO 02/260]?	Yes we do.
B1Q3 Are there any other conditions that should be imposed on the responsible entities?	We have none to add.
B1Q4 Are the proposed changes to the ASX Operating and ASX Settlement Rules, in relation to responsible entities (see paragraph 37), adequate as a basis for giving relief?	Yes.
B1Q5 How would the proposed relief affect your compliance costs?	We estimate \$5,000 per scheme per annum.
B2Q1 Do you consider that the conditions imposed on the AMFS brokers (and any settlement participants) are unduly burdensome?	No
B2Q2 Are there any other conditions that should be imposed on the settlement participants or on the AMFS brokers?	We have none to add.
B2Q3 Are the proposed changes to the ASX Operating and ASX Settlement Rules, in relation to AMFS brokers, settlement participants and online brokers (see paragraphs 38–48), adequate as a basis for giving relief?	Yes
B2Q4 Should, and how would, compliance with the requirement to provide a current PDS for the	Yes

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managed investment product to an investor be more effectively enforced in the context of the AMFS?	
B2Q5 As the AMFS is not covered by the NGF, do you consider that the risk of inadequate compensation or inaccurate perceptions about compensation arrangements should be addressed in PDSs, and that this should be a requirement for relief? Please explain why or why not.	We believe this should be down to the RE as to whether they disclose this. The RE can decide whether this is a material risk.
B3Q1 Are there any other factors that we should consider when granting relief, and why should the factors be considered?	We strongly believe funds with Long Form PDS should be included in the AMFS, if they comply with ASIC's requirements for them.
B3Q2 Do you consider that investors are likely to confuse the AMFS with a trading platform? If yes, what changes to the AMFS should be made to reduce this likelihood of confusion?	We don't believe this is confusing.
B3Q3 What effects do you foresee on the distribution arrangements of schemes as a result of implementing the AMFS?	We believe AMSF will make the market for funds more efficient.
B3Q4 What effects do you foresee the AMFS will have on the use of financial advice by investors in simple managed investment schemes?	We believe AMFS will "open up" the market for managed funds. Investors will no longer be constrained by what is available through their wrap platforms – which is often affiliated to the financial planner.
B3Q5 What other negative or positive effect, if any, do you foresee the AMFS may have on investors or industry participants?	We believe the exclusion of Long Form PDS is negative to the industry as a whole.
B3Q6 What do you foresee the net direct and indirect cost impacts of the AMFS and specifically the proposed relief will be on your organisation?	We have not had time to conduct a detailed analysis due to the fact that this CP is issued at year-end.