

13 August 2014

[Address]



Dear Client

We are writing to all our clients to invite them to raise with us any concerns they may have about advice provided to them at any time. Please read this letter carefully as some clients may be entitled to compensation.

Background

The Australian Securities and Investments Commission (ASIC) conducted a review of Macquarie Private Wealth (MPW) which resulted in MPW entering into an Enforceable Undertaking (EU) with ASIC in early 2013.

As a result of its review, ASIC had a number of serious concerns about MPW's advice practices and compliance with financial services laws and obligations under its Australian Financial Services License. A copy of the EU and a description of ASIC's concerns can be found at [asic.gov.au/asic/pdflib.nsf/LookupByFileName/027955255.pdf/\\$file/027955255.pdf](http://asic.gov.au/asic/pdflib.nsf/LookupByFileName/027955255.pdf/$file/027955255.pdf).

Following the EU, MPW has made a number of significant changes to its business including the introduction of new systems and advice documentation, extensive training and greater supervision of our advisers.

As required by the EU, we are reviewing client files where we have identified concerns, such as some clients receiving advice that may not have been appropriate. Other measures will also be considered, such as checking that clients' asset allocation is appropriate for their risk appetite.

What do you need to do?

If you have any concerns about the service or advice that we have provided you at any time or believe that your file should be included in this review process, please contact us by calling 1800 012 911 or by emailing MPWclients@macquarie.com.

Macquarie Equities Limited

If you request a review of your file we will conduct that review using a process outlined on our website at macquarie.com.au/mpwclientnotice. This review is provided without obligation or cost to you.

If you are not satisfied with the outcome of the review process, you may also contact the Financial Ombudsman Service on 1300 780 808 or fos.org.au

Yours sincerely,

Sheryl Weil
Head of Client Care,
Service and Operations
Banking and Financial Services
Group

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Head of Wealth Management
Banking and Financial Services Group

MEL client review process

Clients of Macquarie Private Wealth (MPW) will have received a letter from Macquarie Equities Limited (MEL), the entity which holds the Australian Financial Services Licence that MPW operates under.

The letter refers to a review process. If you request a review of your file, MEL will follow the process set out below.

Assessment

1. You have an opportunity to provide any information and documents you have that you think may be relevant.
2. A MEL remediation case manager will assess whether the advice provided to you complied with its obligations as a holder of the Australian Financial Services licence. The assessment will take into account any information and documents you provide. The case manager will form a view about whether the advice you received was appropriate. If it was not, the case manager will consider whether you suffered any monetary loss as a result, and if so, how much. This will include utilising an initial profit and loss analysis that Deloitte (an independent expert) has performed.
3. The assessment will be undertaken using the approach MEL believes the independent Financial Ombudsman Service (FOS) would follow if you lodged a complaint with them.
4. A second case manager will conduct a peer review of the first assessment.

Decision

5. The assessments made by both case managers will be considered by a Review Committee. The Review Committee is made up of senior MEL and Macquarie Group representatives. Using the material from the case managers and their assessments, the Committee will decide whether to offer you compensation, and if so, how much.
6. Deloitte will test a sample of the files that are reviewed and will report to MEL and ASIC on the results of its testing.
7. You will receive a letter from MEL that sets out the outcome of the review. The letter will set out the reasons for the outcome, and if you are considered to have suffered a monetary loss, the calculations of that loss.

External Checks

8. You will be provided with an opportunity to consider the material that sets out the outcome of the review. You will be offered reimbursement of costs up to \$5,000 if you wish to access your own independent professional advice (ie legal or financial advice) to consider the outcome of the review.
9. If you are unhappy with the outcome of the review, you will be able to ask FOS to review the advice you received. MEL will waive any time or monetary limits that usually apply at FOS. You may also take any other action that is available to you.
10. Deloitte will oversee the work that MEL does in two ways. Firstly, Deloitte will check whether the remediation process (outlined above) is a fair one. Deloitte will also check that the process is being followed and the assessments were done in a fair way.
11. A case manager will assess whether you were at any time a retail client who received personal advice from MEL. Retail clients will be given priority for review over clients who are assessed to be wholesale clients. Deloitte will review this process and will test a sample of the assessments. It will report to MEL and ASIC on the results of its testing.

MEL will endeavour to conduct these reviews quickly. They are detailed, so in some cases it may take some time for your file to be reviewed.

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Information on this website is intended for residents of Australia only.

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