

23 January 2007

FILE No:
DOC:
MARS/PRISM:

Mr Scott Gregson
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

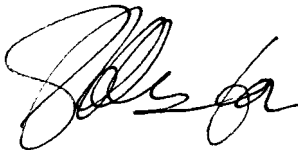
Dear Sir

ASGARD CAPITAL MANAGEMENT LIMITED – EXCLUSIVE DEALING NOTIFICATION

I enclose a notification (completed Form G) in respect of conduct which may fall within the scope of the exclusive dealing provisions of the *Trade Practices Act 1974 (Cth)*. I also enclose the applicable lodgement fee of \$100.00.

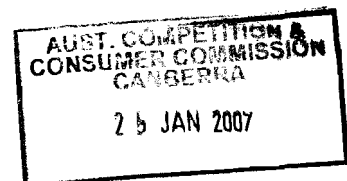
Please acknowledge receipt. If you have any questions, please do not hesitate to contact me.

Yours faithfully,



A.C.K. (TONY) RICHARDS
SENIOR MANAGER, ASGARD LEGAL

Attach: Form G TPA Notification.doc



Call us on 1300 ASGARD

Sydney
Level 12
400 George Street
Sydney NSW 2000

Melbourne
Level 41, ANZ Tower
55 Collins Street
Melbourne VIC 3000

Perth
Level 38, Central Park
152 St George's Terrace
Perth WA 6000

Brisbane
Level 21, Central Plaza One
345 Queen Street
Brisbane QLD 4000

Adelaide
Level 25, Santos House
91 King William Street
Adelaide SA 5000

Form G

Commonwealth of Australia
Trade Practices Act 1974 — subsection 93(1)
NOTIFICATION OF EXCLUSIVE DEALING

N92778

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) **Name of person giving notice:**
(Refer to direction 2)

Asgard Capital Management Ltd ABN 92 009 279 592 ("Asgard")

- (b) **Short description of business carried on by that person:**
(Refer to direction 3)

Asgard's core business is acting as the trustee and administrator of regulated superannuation funds (super master trusts), responsible entity of registered managed investment schemes ("IDPS-like schemes") and operator of Investor Directed Portfolio Services ("IDPSs") (collectively "master trusts and wrap accounts"), dealing in financial products and providing other financial services. Asgard also offers to establish and administer master trusts and wrap accounts for external third parties.

- (c) **Address in Australia for service of documents on that person:**

Asgard Capital Management Limited
Level 38, Central Park
152-158 St George's Terrace
Perth WA 6000

2. Notified arrangement

- (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

Providing services to clients through master trusts and wrap accounts established and administered by Asgard for Hillross Financial Services Limited ("Hillross") and AMP Financial Planning Pty Limited ("AMPFP"), which are wholly owned subsidiaries of AMP Limited ABN 49 079 354 519.

Specifically this Notification relates to the *PortfolioCare* and *WealthView* master trusts and wrap accounts, which are distributed by Hillross and AMPFP respectively. "*PortfolioCare*" and "*WealthView*" are proprietary brands of Hillross and AMPFP respectively.

(b) **Description of the conduct or proposed conduct:**

As a condition of providing the *PortfolioCare* and *WealthView* master trusts and wrap accounts to clients, Asgard proposes to:

- (i) restrict the availability of the *PortfolioCare* and *WealthView* master trusts and wrap accounts to only those clients who have a Hillross or AMPFP financial adviser;
- (ii) restrict access to its electronic commerce facility "adviserNET", as branded for the *PortfolioCare* and *WealthView* master trusts and wrap accounts, to Hillross and AMPFP financial advisers or other financial advisers approved by Hillross or AMPFP; and
- (iii) terminate accounts held by clients in the *PortfolioCare* and *WealthView* master trusts and wrap accounts if they no longer have a Hillross or AMPFP financial adviser or other financial adviser approved by Hillross or AMPFP.

(Refer to direction 4)

3. **Persons, or classes of persons, affected or likely to be affected by the notified conduct**

(a) **Class or classes of persons to which the conduct relates:**

(Refer to direction 5)

Individuals using and wishing to use the *WealthView* and *PortfolioCare* master trusts and wrap accounts.

(b) **Number of those persons:**

(i) At present time:

Substantially more than 50.

(ii) Estimated within the next year:

(Refer to direction 6)

Substantially more than 50

(c) **Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:**

N/A

4. **Public benefit claims**

(a) **Arguments in support of notification:**
(Refer to direction 7)

The notified conduct will be of benefit to the public because it will provide *PortfolioCare* and *WealthView* master trust and wrap account clients with:

- (i) a bundled product consisting of financial adviser support (provided by the Hillross/AMPFP financial adviser) and an investment management service (provided by Asgard), together providing a financial adviser-supported investment service; and
- (ii) access to Hillross and AMPFP financial adviser, who receive extensive training and ongoing support including in risk management and compliance from their respective dealer groups in relation to what are relatively sophisticated products, the benefit of which is obviously passed on to the client;

(b) **Facts and evidence relied upon in support of these claims:**

As above.

5. **Market definition**

Provide a description of the market(s) in which the goods or services described at 2(a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

The retail platform market stands at a total of \$494.9 billion as at September 2006 (according to Plan for Life). Total inflows for the year to 30 September 2006 were \$235.3 billion.

The master fund and wrap platform market is made up of 45 groups supplying over 15,000 investment products across both Investment and Superannuation tax structures. This consists of a mix of wrap platforms, retail platforms and superannuation master trusts. Generally a platform managed fund offer will vary from 31 to 822 managed fund options (according to Investment Trends) and many offer a broad range of listed securities.

These platforms and funds are acquired through financial advisers or retail investors direct to the funds.

The most significant players in the market in order of size are:

- CBA/ Colonial: 15.3% market share
- National/ MLC: 12.4%
- BT/ Westpac: 10.4%

- AMP: 9.8%
- ING: 9.0%
- Macquarie: 7.4%
- St.George: 7.2%

The PortfolioCare and WealthView master trusts and wrap accounts account for approximately \$6.5 billion and 35,000 investors, which is only a small part of the total market. The \$6.5 billion is included in the 7.2% shown for St.George Bank (Asgard parent company) and includes other Asgard master trusts and wrap accounts.

6. Public detriments

- (a) **Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2(a) above and the prices of goods or services in other affected markets:**
(Refer to direction 9)

The notified conduct will not result in any detriment to the public as a result of any lessening of competition in the market for master trusts and wrap accounts because:

- (i) as a provider of financial services, Asgard competes for market share in an extremely competitive market. There are a large number of participants in the market, who offer a wide range of similar products and services;
- (ii) clients can acquire master trust and wrap account services from a number of competitors and from Asgard's equivalent retail (unbranded) versions of the *PortfolioCare* and *WealthView* master trusts and wrap accounts; and
- (iii) both Hillross and AMPFP have large financial adviser networks. Accordingly, while having a financial adviser is integral to the product, the client can choose whichever Hillross or AMPFP financial adviser he/she wishes to use.

In addition, given the size of the market(s) in which the goods or services described at 2(a) are supplied or acquired and the fact that clients can acquire master trust and wrap account services from a number of competitors and from Asgard's equivalent retail (unbranded) versions of the *PortfolioCare* and *WealthView* master trusts and wrap accounts, the notified conduct will not have any effect on the prices of the those goods or services or the prices of goods or services in other affected markets.

- (b) **Facts and evidence relevant to these detriments:**

As above.

7. Further information

- (a) **Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:**

A.C.K. (Tony) Richards
Senior Manager, Asgard Legal
Asgard Capital Management Ltd
Level 38, Central Park
152-158 St George's Terrace
Perth WA 6000
Ph (08) 9415 5616

Dated: 23 January 2007

Signed by/on behalf of the applicant



.....
Anthony Craig Kenneth Richards
Asgard Capital Management Limited
Senior Manager, Asgard Legal

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.
1. Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.
2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.