



# 1 Code of Conduct

---

## Principle Advisory Services

The Principle Advisory Services' (Principle) Code of Conduct has been prepared with reference to the:

- EVCA Placement Agents Supplementary Code of Conduct (October 2009); and
- Australian financial services regulatory environment, as framed by the Corporations Act, Australian Securities and Investment Commission (ASIC) policy, and the Australian Financial Services Licencing regime.

### 1.1 Business Outline

1.1.1 The primary business of Principle is acting as placement agent for investment managers in the Australasian institutional investor marketplace. In its capacity as placement agent Principle works with investment managers to develop investment offerings for institutional investors, coordinates the Australasian capital raising process for offerings, introduces prospective investors to our clients and interacts directly with them on behalf of the investment manager client.

### 1.2 Regulation and Authorisation

1.2.1 Principle holds Australian Financial Services (AFS) Licence 285346. The licence allows Principle to provide general advice to wholesale investors.

1.2.2 Principle operates within an established compliance regime, which is codified in a set of documented organisational policies and procedures. Through this regime Principle manages and monitors its authorisations, capabilities, and the activities of staff. In addition to its internal compliance function, Principle also retains the services of an external compliance specialist to monitor and review our policies and procedures.

### 1.3 Conduct of Business

1.3.1 Principle undertakes the role of placement agent only for investment managers that it believes have a robust offering and demonstrate a commitment to servicing clients in Australia and New Zealand. To that end Principle undertakes a due diligence process before agreeing to act as a placement agent for an investment manager.

1.3.2 Principle enters into a written contract (Agreement) with each of its clients. Agreements include a scope of work to be undertaken by Principle, the term of the engagement, the fee arrangements for that work, and confirmation that Principle will adopt and adhere to this Code.

1.3.3 In the conduct of its business Principle will not make or offer to make any payment or other consideration with a view to inducing a third party to enter into contractual negotiations with a client.

1.3.4 Principle maintains records of the work undertaken for clients for a minimum period of seven years. Should a client wish to view those records they can request to do so.

1.3.5 Principle provides general advice only. While Principle endorses investment offerings, it expects investors to conduct their own due diligence before investing. When setting up a meeting with investors and presenting a product offering from one of our clients for the first time, if there is any doubt about the nature of the interaction or the advice to be provided, then we state that the advice we provide is general in nature and does not take their individual circumstances into account.

1.3.6 Principle seeks capital from wholesale investors only. In Australia, Principle approaches investors only which are classified as wholesale investors by the Corporations Act 2001 (refer to "Eligible Investors" pg 11). In other countries, Principle abides by similar laws and only approaches qualified wholesale investors.

1.3.7 Principle maintains professional relationships with a significant number of institutional investors. Principle is typically retained to raise capital from all or a significant sub-set of such investors.

## 1.4 Disclosure

1.4.1 It is understood by the investors that Principle interacts with that Principle represents investment manager clients and gets paid by these clients. Principle discloses the fees it receives from clients if requested by prospective and client investors.

1.4.2 Any political or quasi-political donation made by Principle, any affiliate or Principle representative or any employee (or immediate family member of employee) is required to be logged and disclosed to prospective and existing clients, prospective and existing investors of Principle clients, and ASIC.

1.4.3 If Principle were to employ or otherwise retain a former employee of a government pension plan (or anyone in the decision-making chain of command regarding an investment by such government pension plan) disclosure would be made to prospective and existing clients and investors. Such person would not solicit the government pension plan for an investment with a Principle client for at least three years after leaving the said service.

1.4.4 Principle does not typically retain sub-placement agents. Were it to do so their engagement would be disclosed to prospective or existing clients and investors and they would be required to comply with this Code.

1.4.5 Principle takes reasonable steps to procure that any sub-placement agent retained by a prospective or existing client or its applicable manager must (i) be disclosed to Principle, (ii) be disclosed to the client's prospective and existing investors, and (iii) undertake to ensure its compliance with the EVCA Code of Conduct and Supplementary Code or other applicable equivalent code.

1.4.6 The role Principle plays in a capital raising process, and the role of any sub-placement agent, is typically disclosed within the marketing materials issued by a client.