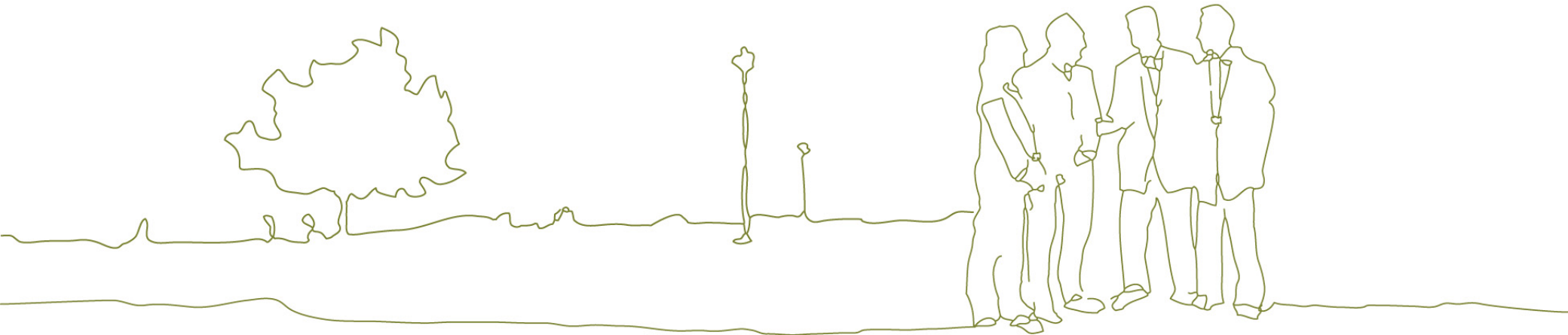


# INstreet

## Capabilities



# Executive Summary

- Instreet Investment Limited was established in 2008 to distribute and design structured/derivatives products
- Instreet Structured Investment Pty Ltd (ISI) has been established for the sole purpose of issuing DPA's.
- Although a wholly owned subsidiary of Instreet Investment Limited, ISI is a stand-alone, bankrupt remote entity which maintains an arms-length relationship with the distribution activities of Instreet Investment.
- The key benefits for you to use this issuance platform are as follows-
  - Cheaper more flexible pricing than being locked-in to one bank.
  - Cheaper pricing than private banks
  - Strong relationships with a panel of Investment Banks.
  - Counterparty risk is reduced by better risk management.

# Instreet adds value

Instreet is an investment house that delivers investment solutions and strategies that create value for clients. We are a trusted brand known for insight, independence and the quality of our people. By understanding our customers, their business and the investment environment, we can develop relevant value adding investment strategies and solutions.

- Instreet has raised over \$1.5 billion since inception in January 2008
- Security is linked to a bank issued wholesale derivative or security
- A security trustee structure is used to “pass through the credit”.
- Instreet has extensive experience in providing retail/wholesale products using this structure

# Instreet Process

**Instreet is based on a simple business model focused on:**

- Development of bespoke product solutions
- Flexible low-cost business structure allowing better returns for clients
- Dedicated team that provide excellent personal service

**It is the role of Instreet:**

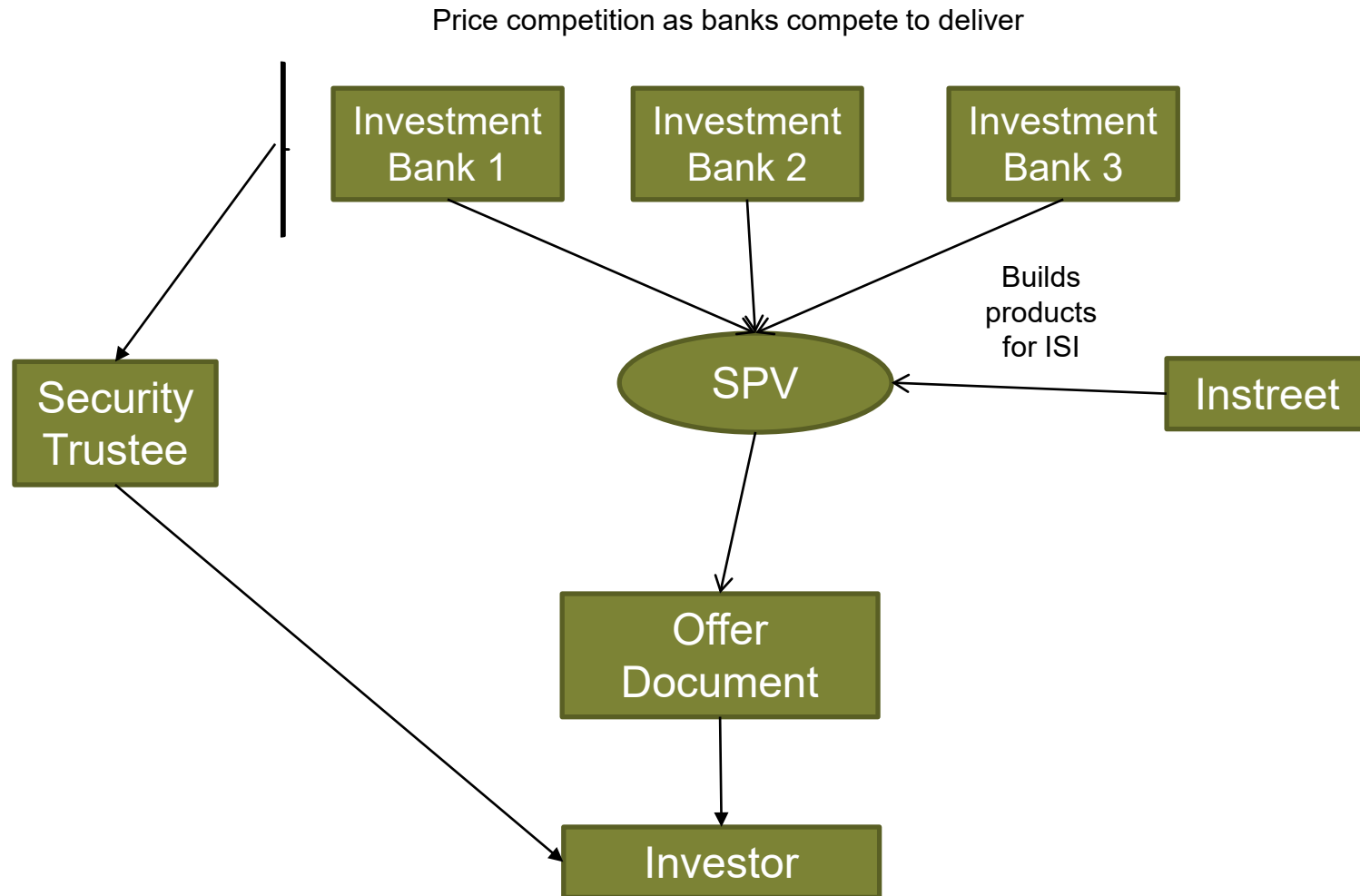
- to have detailed knowledge of the market, investment bank and derivatives
- to understand and interpret the needs of our clients
- to be creative in developing innovative products for the market.
- to source quality institutional assets for the retail market

# Instreet understand the market

A range of structured/derivative products can be created and issued by the SPV to meet your requirements.

- Term can be from 1 month to 10 years or longer
- Currency hedging can be at the security or product level.
- Which investment banks have best pricing
- Panel of global investment banks (not private banks)
  - Goldman Sachs
  - Bank of America Merrill Lynch
  - Citigroup
  - Morgan Stanley
  - Deutsche Bank
  - UBS
  - Credit Suisse
  - Societe Generale
  - Natixis
  - Barclays

# Business model



# Business model (cont)

- Instreet will earn a fee for arranging, the offer.
- Price competition will be introduced into the process and the benefit of this can be passed through to investors.

# Counterparty risk

This proposal allows counterparty risk to be better managed than existing models. This is because:

- There would be a security trust deed, with an external trustee, that would link each underlying hedge directly to the corresponding structured/derivative product. The investor therefore has a direct security over the hedge security.
- This structure ensures the credit risk of the bank issuing the underlying hedge is passed through to the investor.
- Counterparty risk can be improved by making the banks post cash in an account operated by ISI under the security trust deed as the counterparty risk increases, to cash-back this risk. Thus the investor is not waiting until expiry of the product before it is determined whether a bank can meet its obligations under the derivative.



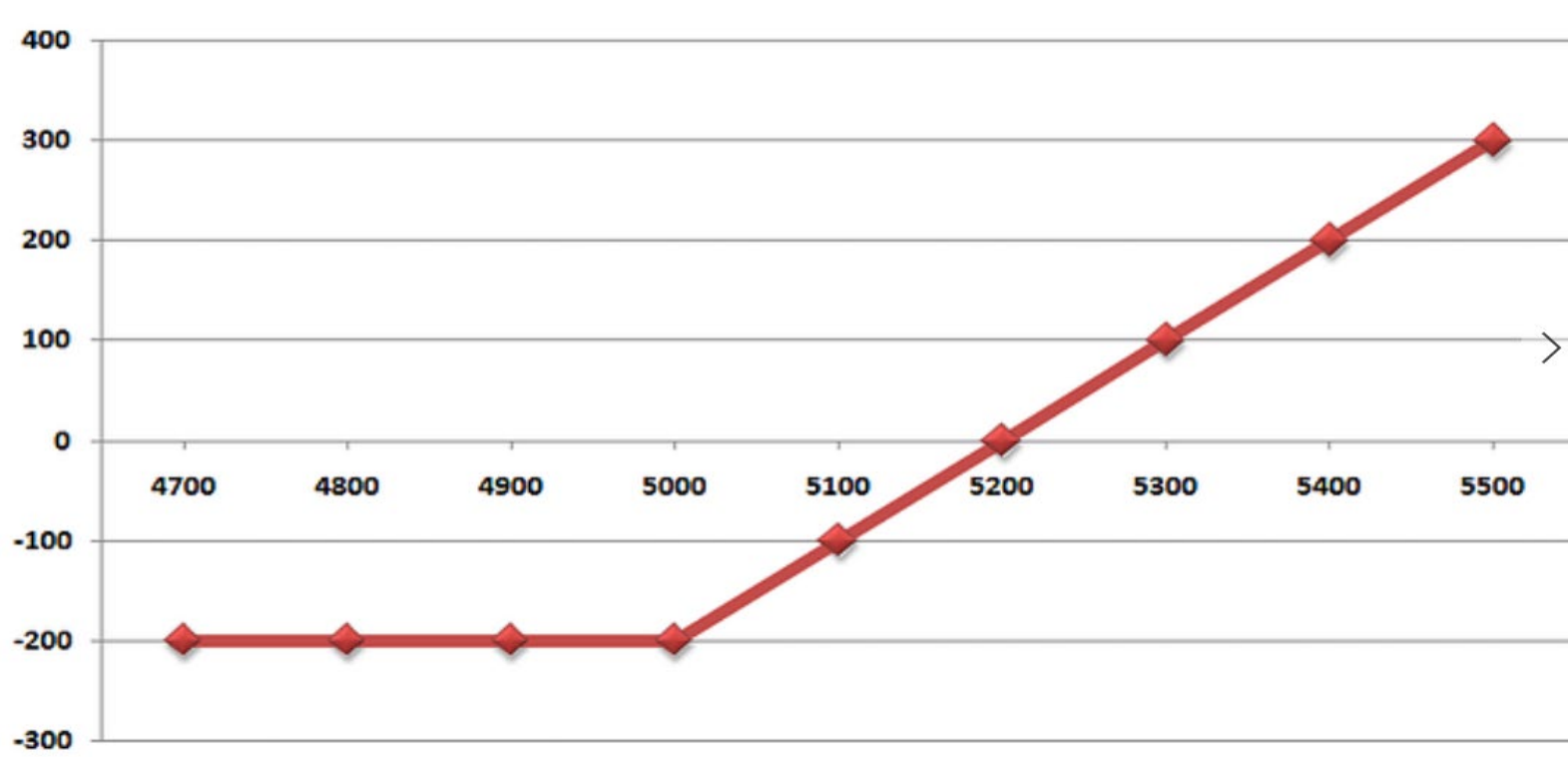
# Regulatory Licencing (AFSL)

Instreet Investment Limited's Australian Financial Services Licence allows it to:

- Issue investments and deal with shares, derivatives, unit trusts, DPAs, debentures, bonds, foreign exchange, deposit products, insurance, margin lending, superannuation, retirement savings account.
- Provide general advice on all the products above.
- Deal with wholesale and retail clients.
- Provide a custody service for clients.
- Operate a managed investment scheme.
- Flexibility with many different financial structures.

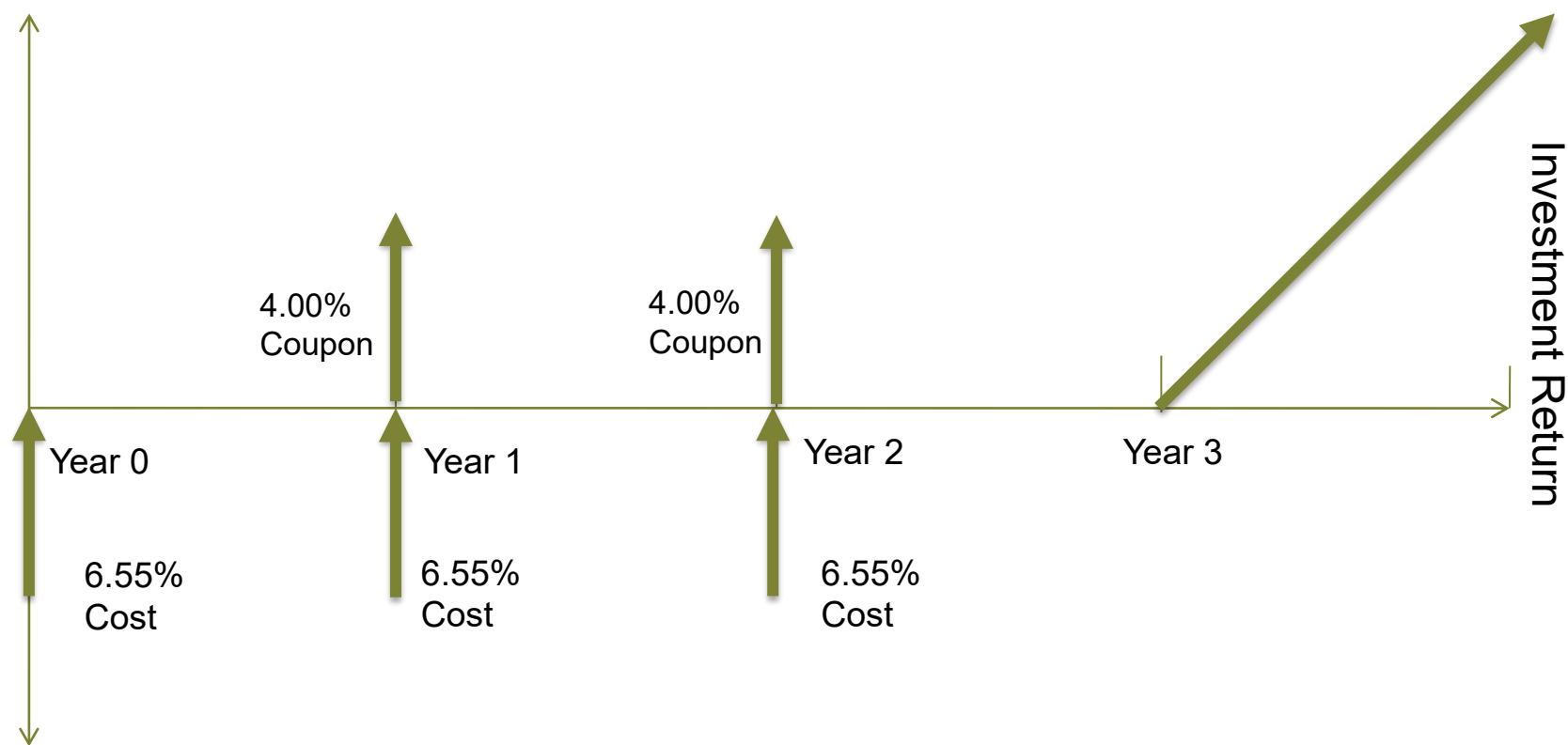
# Product Example: Leveraged Call Options

Option Cost 200 with full upside participation from 5000  
Index Points



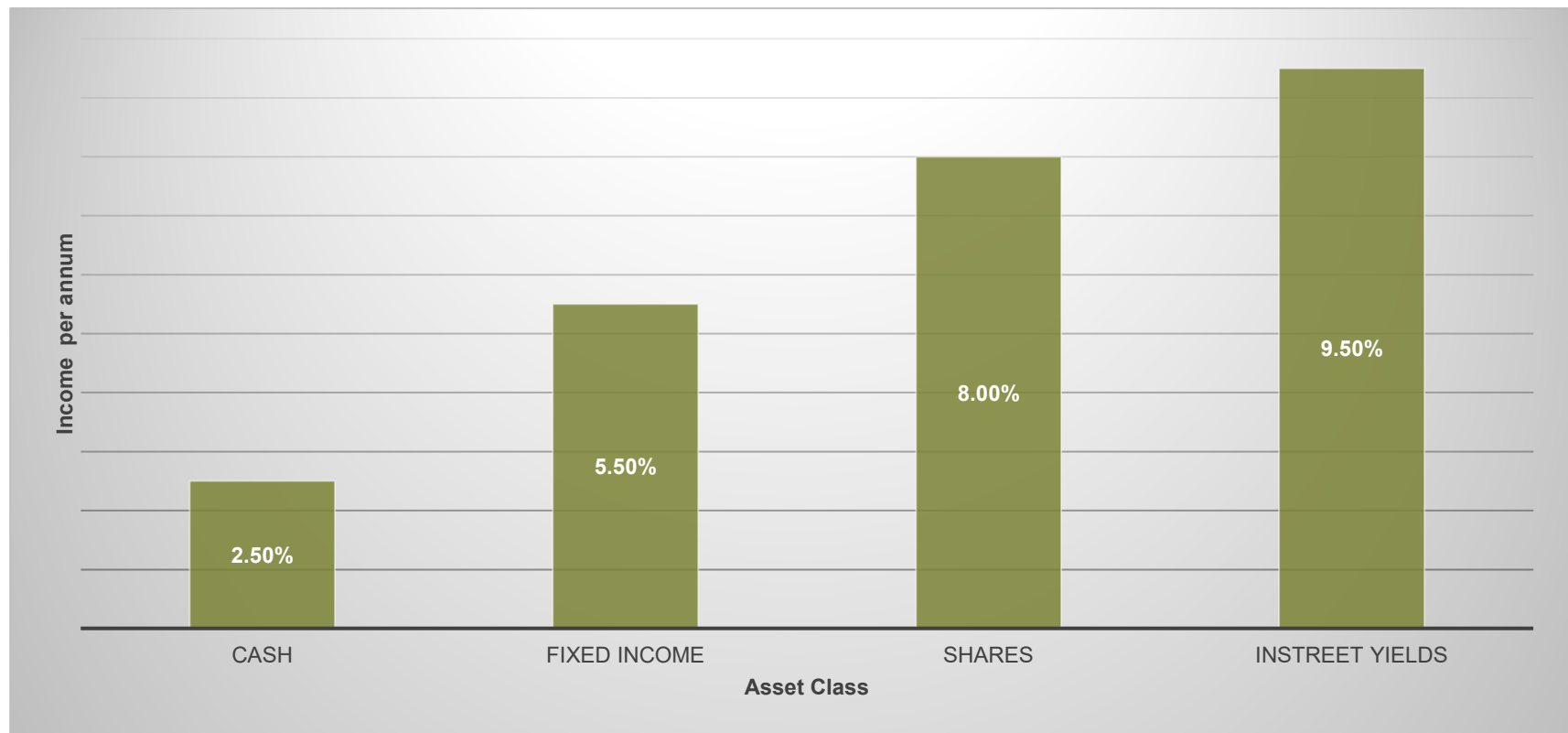
# Product Example: Instreet Masti Product

- Masti structure available over individual shares, indices, funds, commodities
- 3 year investment
- Coupon paid out to offset interest cost



# Product Example: Instreet Yield (WOKIs)

- Selling put options with deep out of the money barriers to enhance income
- Structured over basket of shares or indices, domestic and international
- Income varies from 6-25% depending on client risk levels



# Instreet Structure & Staffs

## Board

David Gordon

Ian Rae

George Lucas (MD)

## Product Development

George Lucas (MD)

James Poon

## Distribution

### Client Relationship

Justin Byrne (COO)  
(NSW/Qld/WA)

Gabe Carey (VIC/TAS/SA)

### Operations/Support

Ashley Woodney

Alex Gao

Robert Manock

Brad Cuss

## Service Providers

Legal – Baker & McKenzie  
(B&M)

Accounting/Tax – B&M, Hall  
Chadwick

Compliance – EA Financial  
Auditor - Hall Chadwick

Registry – Link Market  
Services

IT- Cloud IT solution  
Salesforce & Webcentral

# Managing Director

## George Lucas – Managing Director

George Lucas has over 30 years experience in the investment banking and fund management industry specialising in developing, managing and structuring financial products. George previously was a director of two listed investment trusts, was the Chief Investment officer of Mariner Financial, headed the London equity derivative trading and structuring department for First Chicago and was also the head trader of equity derivatives with Citibank in the United Kingdom.

George is responsible for managing Instreet, setting the strategy in conjunction with the board, developing and structuring products and services. He has extensive experience in product strategy, managing investment risk, portfolio management, and regulatory compliance. He is also experienced in using financial instruments to manage foreign exchange risk and interest rate exposure.

George has consulted to hedge fund managers both in Australia and internationally and is a regular presenter at finance industry forums. He has also written books and tertiary courses regarding the use of derivatives.

# Product Development

## James Poon – Head of Product

James Poon has over 21 years experience in financial markets, working in equity derivatives and structured products. He has worked in trading, structuring and sales for Westpac, ABN AMRO and The Royal Bank of Scotland.

In his recent role as Head of Structuring for Investor Products Equity Derivatives at RBS in Australia, he was responsible for developing, structuring and issuance of RBS' over the counter, unlisted and ASX listed products. He has extensive experience in setting up structured product and warrant platforms, delivering client outcomes and operating within an evolving regulatory framework. James has worked with all types of clients from institutions, IFAs, brokers, Private Banks to retail investors.

James is responsible for ensuring all retail products are issued in accordance with Corporations Act requirements and proper due process.

James has a Bachelor of Business and LLB (Hons) degree from UTS, Sydney and has been admitted as a Legal Practitioner. He is AFMA Accredited and holds ASX Level 1 & 2 Derivatives Accreditation.

# Corporate Governance

## Compliance Committee

- Members - Stephen Elias & George Lucas
- Meets every months

## Audit Committee

- Members – Ian Rae and David Gordon
- Meets once a quarter

## Remuneration Committee

- Members – David Gordon, Ian Rae & George Lucas
- Meets when required or annually

## Investment & Risk Management Committee

- Members – George Lucas, James Poon and David Gordon
- Meets once a month

## Policies

- Expenses Policy
- Remuneration Policy
- Marketing and Communication Policy
- Disaster and Recovery Policy
- Risk Management Policy
- Complaints Procedure
- AML/CTF Policy



# Contact

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# Important Notices

**General advice warning:** The information contained in this document is general information only and has been prepared for distribution to financial advisers. It has been prepared without taking account any potential investors' financial situation, objectives or needs and the appropriateness of this information needs to be considered in that context. Advisers must form their own views on whether the structure outlined is appropriate after considering their clients' objectives, financial situation and needs. We recommend you seek your own legal and taxation advice.

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