

What is a Wholesale Investor?

Generally, people buying securities and other financial products must, under the Corporations Act 2001, be given a regulated disclosure document such as a prospectus or product disclosure statement. However, the Act has some exemptions from these requirements.

Investors who qualify as wholesale clients do not need to be issued with a full prospectus. They are however issued with what is known as an Information memorandum (IM). An IM is a shorter form document that sets out the terms and conditions of the security without going into the level of detail required by a full prospectus. This makes issuing wholesale bonds significantly cheaper, and therefore more attractive, to security issuers.

To qualify as a wholesale client, individuals and entities must meet one of the investor types outlined below:

Professional investor – A professional investor, which includes, among others, financial services licensees, bodies regulated by APRA, superannuation funds, as well as a person or entity who controls gross assets of at least \$10 million (including any amount held by an associate or under a trust that the person manages).

OR

Sophisticated Investor – A person or entity that has obtained a qualified accountant's certificate stating they have net assets of at least \$2.5 million, or a gross income for each of the last two financial years of at least \$250,000. The certificate lasts for two years before it needs to be renewed.

A client who meets the financial criteria specified in the Corporations Act are be required to evaluate offers of securities and financial products without the usual protection of regulated disclosure documents such as a Product Disclosure Statement (PDS). Placements and unlisted corporate bonds are issued only to wholesale clients.

Wholesale clients generally have access to a wider range of investments and products compared to retail clients.

How Do I become a Wholesale Client?

If you qualify under any of the criteria above, simply get your accountant to provide you with a sophisticated investor certificate. More information on sophisticated certificates can be found [HERE](#) or call us on 1300 130 918 for further assistance.

Once you have opened an account with Laminar Capital and have lodged your sophisticated Investor Certificate you will be able to purchase any of the wholesale bonds available on [BOND HUB](#)