

19 May 2021

# ASX ANNOUNCEMENT

## Moelis Australia supports announced changes to the Business Innovation and Investment Program

**Moelis Australia Ltd (Moelis Australia; ASX:MOE)** supports today's announcement from the Federal Government in relation to its review of the Business Innovation and Investment Program (BIIP). The BIIP targets migrants who have a demonstrated history of success or talent in innovation, investment and business, and are able to make a significant contribution to the national innovation system and the Australian economy.

Moelis Australia believes the announced changes will assist the Government achieve its aim of "Getting a better deal for Australia" from business and investment visas. The announced changes are to the Significant Investor Visa (SIV) and Investor Visa streams of the BIIP.

Moelis Australia is one of Australia's largest managers of SIV investment capital. Approximately \$2.8 billion of its \$5.8 billion<sup>1</sup> assets under management are sourced from foreign high net worth individuals, including under the SIV program.

Key changes to be implemented from 1 July 2021 include:

- **The investment amount for the Investor Visa stream will increase from \$1.5 million to \$2.5 million and its investment rules will be aligned with the SIV complying investment framework (CIF).** Shifting the Investor Visa investment rules from the current 100% allocation to Australian State or Territory Bonds to align with the CIF, which incorporates venture capital and emerging company investments, will help Australian companies to directly benefit from the associated capital inflows and to create jobs.
- **The venture capital and private equity (VCPE) component of the CIF will increase from 10% to 20%.** This will increase the flow of direct growth capital to emerging Australian companies.
- **Funds will be required to provide annual independent audit reports showing their compliance with the CIF.** This measure will further ensure the integrity of the visa program.

The investment amount for each SIV investor will remain unchanged at \$5.0 million.

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<sup>1</sup> As at 30 April 2021

The CIF ratios to be applied to both the SIV and Investor Visa streams from 1 July 2021 will be:

- 20% into VCPE funds (up from the current 10%).
- 30% into funds investing in ASX-listed emerging companies.
- 50% in balancing investments (down from the current 60%). This includes funds investing in commercial property, ASX-listed equities and corporate bonds.

The BIIP visa program delivers multiple benefits to the Australian economy, including attracting long-term capital and successful business talent, as well as direct and indirect investment into emerging Australian companies and the associated multiplier impacts on the broader economy. In the year to 30 June 2020, almost \$1.3 billion was invested through the BIIP program. Moelis Australia believes today's announcement will only serve to strengthen these benefits, particularly as the Australian economy emerges from the COVID-19 pandemic.

Head of MA Asset Management, Andrew Martin, said:

*"Moelis Australia is supportive of the announced changes to the BIIP which we believe will help the Government to achieve its aim of "Getting a better deal for Australia". Today's announcement follows extended industry consultation on how best to attract foreign investors and should improve the potential outcomes for the Australian economy and jobs."*

*"These changes will provide a further economic boost for Australian growth companies as they recover from COVID-19. Our VCPE funds have already provided significant growth capital to over twenty emerging Australian companies, including 5 new investments in recent months."*

*"Australia remains a highly attractive destination for foreign high net wealth capital and the Significant Investor Visa is the world's leading investment migration program for high net wealth investors."*

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