

Phillip Capital Limited ABN 14 002 918 247 AFSL 246827  
Phillip Capital Trading Pty Ltd ABN 68 066 066 911 AFSL 246796  
Together known as “PhillipCapital”

## Purpose of the Financial Services Guide

This Financial Services Guide (FSG) provides information to prospective and new retail clients about their rights and obligations under the Corporations Act 2001 and Regulations (Corporations Act) and about our services, charges and obligations to retail clients. The FSG includes:

- who we are and how we can be contacted
- the financial products and services we are authorised to provide
- information on remuneration paid to PhillipCapital and other relevant persons
- our complaints and compensation arrangements
- our information collection statement.

It is our objective to provide you with clear, concise and effective disclosure about our products and services which may assist you to determine whether to use any of our products and services. Should you choose to use any of our services and products, you may also receive other documents relevant to the services or products which you should also read carefully and ensure that you understand.

These may include:

- Statements of Advice
- Product Disclosure Statements (or other disclosure documents required by the Corporations Act)

## Warning

Nothing contained in this FSG constitutes the giving of personal financial product advice or a recommendation concerning an investment in a particular financial product. In preparing this FSG, PhillipCapital has not taken into account the investment objectives, financial situation or particular needs of any individual client. This FSG only contains factual information or general advice. Before making a decision whether to invest in a particular financial product you should speak to your financial adviser and obtain independent tax advice taking into account your own particular needs, objectives and financial circumstances.

## Best Execution Policy

PhillipCapital has adopted a policy in relation to its best execution obligations under the ASIC Market Integrity Rules (Securities Markets) 2017 (MIR). Our Best Execution Policy is available at [www.phillipcapital.com.au](http://www.phillipcapital.com.au).

## About us

Phillip Capital Limited provides stockbroking and investment advisory services authorised by its Australian Financial Services License and is a Participant of:

- ASX Limited (ASX)
- Chi-X Australia Pty Ltd (Chi-X)

Phillip Capital Trading Pty Ltd provides investment advisory and dealing services authorised by its Australian Financial Services License. PhillipCapital is regulated by the Australian Securities and Investments Commission (ASIC).

## Phillip Capital financial products and services

PhillipCapital is licensed to provide the following financial services to wholesale and retail clients:

- Advise on and deal in the following financial products:
- securities (including Australian and international securities)
- derivatives
- foreign exchange contracts
- interests in managed investment schemes including investor directed portfolio services
- Managed Discretionary Account (MDA) services (including issuing such products). It is important that you be given a supplementary MDA Financial Services Guide by us that provides additional information
  - life products including:
    - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
    - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds.
  - standard margin lending facilities
  - superannuation
  - debentures, stocks or bonds issued or proposed to be issued by a government
  - deposit and payment products, including basic deposit products and other deposit products
  - miscellaneous financial products limited to managed investment warrants to which particular provisions of the Corporations Act applies and that are transferrable and admitted to trading as warrants on ASX or Chi-X.
- Underwrite issues of interests in managed investment schemes and securities.
- Make a market for foreign exchange contracts and derivatives.
- Operate custodial or depository services other than investor directed portfolio services.

## Financial product advice

The Corporations Act imposes obligations on Licensees and their advisers to ensure that retail clients receive professional and reliable advice.

Phillip Capital Limited provides general and personal investment advice. Phillip Capital Trading Pty Ltd provides general advice. Our investment advisers provide prompt, efficient and current advice, using appropriate research. PhillipCapital advisers can assist you to build a diversified portfolio tailored to your investment objectives, financial situation and particular needs (“relevant personal circumstances”).

**Personal advice** is based on your adviser’s consideration of one or more of your relevant personal circumstances.

**General advice** is advice that has not taken into account any of your relevant personal circumstances. The adviser must warn you that you should consider the appropriateness of the advice, in light of your relevant personal circumstances before acting upon the advice.

As a full service stockbroker, financial product advice is an inherent and essential element in the quality of service provided by Phillip Capital Limited advisers.

The Corporations Act imposes an obligation on advisers giving personal advice to retail clients to act in the best interests of the client and to give priority to the client's interests. To enable our advisers to do so, it is important that you give your adviser all details and any changes in your relevant personal circumstances to ensure that the personal advice prepared by your adviser for you is appropriate to your circumstances. In order to fulfill our duties to you and determine your Client Profile in relation to investments you must provide (among other things) your:

- investment objectives
- risk tolerance
- financial position
- market experience
- time horizon

If personal advice is based on incomplete or inaccurate information you have given us relating to your relevant personal circumstances, before acting on the advice you should consider the appropriateness of the advice having regard to your relevant personal circumstances. PhillipCapital and its advisers do not accept any liability for advice given where it is based on incomplete or inaccurate information about your relevant personal circumstances.

#### **Statement of Advice**

When we provide you with personal advice as a retail client, we will provide you with a Statement of Advice (SOA). The SOA is a written record of the personal advice your adviser gave to you. We will provide the SOA to you as soon as practicable after the advice is provided and no later than 5 business days after the personal advice was given.

An SOA may not be provided in the case of further advice if you have previously been given an SOA that sets out your relevant personal circumstances and also where the basis of the advice is not significantly different. You can request a written record of the further advice within seven (7) years of the date that the further advice was provided. This request is to be made in writing to your adviser. The SOA is designed to enable you to make an informed decision about whether to act on personal advice and it may include:

- the advice given
- the basis on which the advice was given
- the identity of the person advising you.
- Information about remuneration, commission and fees that we may receive
- other associations and interests that may have influenced the provision of the advice
- fees and charges
- any potential conflicts of interest
- any other significant consequences for you about the advice.

#### **Product Disclosure Statement**

When we give personal advice to a retail client that recommends a particular financial product or offer, or arrange for the issue of a financial product, other than listed securities, we will provide you with a Product Disclosure Statement (PDS), a Prospectus or another offer document, as applicable for that financial product.

The PDS is intended to provide adequate information to enable you to make an informed decision about whether to purchase a particular financial product. It will include information such as:

- significant characteristics of the financial product
- fees payable
- risks associated with the financial product
- benefits of the financial product

In some circumstances we may also provide you with a prospectus (or other disclosure document under Chapter 6D of the Corporations Act) prepared by the financial product issuer which is required to set out all the necessary information you require to assist you to make an informed decision about the financial product.

#### **Responsibility for financial services**

PhillipCapital advisers are representatives or authorised representatives of PhillipCapital with relevant qualifications and experience to provide financial product advice. Your adviser acts on behalf of PhillipCapital which is responsible under its licenses for the financial services provided to you. Your adviser is identified by name on the Confirmation issued to you for each transaction.

When providing financial services to you, we act on our own behalf and not on behalf of any third party product issuers or service providers.

#### **How to provide instructions to us**

You may provide instructions to buy or sell securities to us by telephone, or other means as agreed with your adviser. As time is of the essence in 'live' markets, telephone is preferred. Further information on how you may provide instructions to us and our terms and conditions for accepting your instructions are in the PhillipCapital Account Application Form. PhillipCapital reserves the right to accept or decline any order.

#### **Clearing and settlement services**

Pershing Securities Australia Pty Ltd ABN 60136184962 AFSL 338264 (Pershing) will provide clearing and settlement services in relation to orders for the purchase and sale of securities listed on licensed Australian markets which are placed with PhillipCapital.

Accordingly, payment for securities listed on a licensed Australian market must be made directly to Pershing and proceeds of the sale of these securities will be provided to you by Pershing. Please refer the Pershing Financial Services Guide that is provided with your Account Application for further information.

#### **How you pay for PhillipCapital services**

Generally we do not charge separately for our advice. However, we may charge (e.g. an hourly rate or a flat fee) for certain specialist advice or portfolio monitoring. Fees will be disclosed and agreed with you when arranging your account. Research, market and company information are provided free of charge.

You will be charged brokerage for each transaction we execute on your behalf.

Payments from you are to be made electronically. In certain circumstances we may accept a cheque. PhillipCapital is not legally permitted to accept or pay cash.

Our fees and charges are available on our website or from your adviser.

#### **Application for new issue of securities**

You are not generally charged brokerage or commission when making an application for a new issue of securities, including new issues via an initial public offering or placement. Securities include shares as well as units in managed funds (e.g. equity trusts).

PhillipCapital will in most instances receive a lodgement fee from the relevant company or issuer and on some occasions PhillipCapital will charge you for the service provided.

If PhillipCapital receives fees for acting as underwriter or sub-underwriter, these fees will be disclosed in documentation provided to you.

The fees for lodgement and underwriting may vary but typically range from 1% to 9% of the amount raised.

Generally, our advisers receive a proportion of the brokerage, commission or underwriting/sub-underwriting fee paid to PhillipCapital.

### Calculation of brokerage, commission and other charges

Brokerage is calculated as a percentage of the total dollar value of the securities purchased or sold on your behalf. Brokerage rates are negotiable with each client and are subject to a minimum brokerage charge.

Fees and charges are available on our website.

For a purchase, the brokerage is added to the consideration payable for that transaction. For a sale, the brokerage is deducted from your gross proceeds. All these amounts are specified on the confirmation of sale or purchase.

Additional fees and charges may apply when dealing in international markets. PhillipCapital will disclose these fees prior to your dealing.

You will be charged fail fees and interest if you fail to settle a purchase or sale by the settlement date and time indicated on the confirmation.

PhillipCapital reserves the right to charge to your account any additional charges, or changes to existing charges that PhillipCapital may incur as a result of changes in industry practices or through the normal course of business operations. This will be available at [www.phillipcapital.com.au](http://www.phillipcapital.com.au) prior to implementation.

### Fee Based Services

#### Managed Discretionary Accounts

Accounts offer a personal investment service provided on a discretionary basis for which a fee will be agreed with you. Fees are charged quarterly in arrears.

#### Portfolio Administration

Portfolio Administration service fees are charged quarterly in arrears and are subject to a minimum of \$500.00 (plus GST). These services are charged as agreed with you depending on the complexity of the portfolio construction, size and expected turnover of portfolio.

#### Strategy advice

Strategy advice is charged at an hourly rate for specialist consultation in portfolio structure, construction and asset allocation.

#### Commissions

Where permitted by law, PhillipCapital may receive commission and fees from third parties when recommending their product(s); for example, external wrap platforms or managed fund providers.

PhillipCapital may receive incidental commissions from Deposit Taking Banks, Deposit Taking Institutions and managers of Cash Management Accounts.

The exact amount of any applicable commission or fees may vary depending on the product. The exact amount will be disclosed in the applicable PDS, prospectus (or other disclosure document) or disclosed by your adviser when you receive personal advice.

These commissions may or may not be shared with the adviser.

#### Managed investments

Initial commissions are a part of the entry fee charged by some fund managers when you place investment monies in their products. The fund manager retains a portion of the entry fee and, where permitted by law, a portion may be paid to PhillipCapital. Similarly, where the law allows, the fund manager may pay an ongoing commission to PhillipCapital from the management fee charged on your investment.

Entry fees are charged by some fund managers whether you place the investment through PhillipCapital or directly with the fund manager. Entry fees range from 0% up to 8% for international managed funds.

Where permitted by law, annual trail commissions may be received for the life of your holding the fund and paid annually in accordance with the fund terms.

### Fixed interest / cash management trusts

PhillipCapital does not charge brokerage or commission where we lodge funds on your behalf in a cash management trust or where you purchase fixed interest securities in the primary market through a prospectus. Where permitted by law, we will receive a commission from fixed interest borrowers and cash management trustees for any funds lodged with them on behalf of our clients. This commission is payable only to licensed entities, such as PhillipCapital. It is not payable or refundable to investors. Arranging these facilities through us does not cost you additional fees. The National Guarantee Fund does not cover the funds placed on deposit in a Cash Management Account with a financial institution.

### Adviser Remuneration

Brokerage and where allowed by law, fees and commissions (other than those paid to outside providers) that you pay to PhillipCapital, or we receive for recommending a product to you, may be shared with your adviser. Remuneration to our advisers is paid either as a salary, or a commission or a combination of both. The remuneration of your adviser is only paid where permitted by Future of Financial Advice laws; for example, under a payment arrangement that is allowed under transitional provisions or where you have consented to and directed that the payment be made. The remuneration is determined by all revenue attributable to the adviser.

### Director and Employee Remuneration

Some executive directors and other employees are remunerated by salaries and others by a combination of commissions and fees as set out above. In addition, directors are also entitled to directors' fees and may be entitled to bonuses and/or dividends depending on any relevant shareholding and the profitability of the business.

### Interest from client monies held on trust

In accordance with section 981C(c) of the Corporations Act and Corporations Regulation 7.8.02(7), we may receive interest from our bank trust account in relation to client monies held therein.

### Compensation arrangements

PhillipCapital holds a professional indemnity insurance policy which satisfies requirements under section 912B of the Corporations Act and ASIC requirements under Regulatory Guide 126. It is important that you, as our client, recognise the limitations of this insurance. Professional indemnity insurance is not designed to protect consumers directly and is not a guarantee that compensation will be paid. The policy will cover claims in relation to the conduct of current and previously employed advisers and employees of PhillipCapital.

### Risks

#### Limitations of research

By 'research' we are referring to printed material that expresses an opinion about particular securities, companies or economic news.

The research produced internally and/or outsourced by PhillipCapital, is basically the opinion of specialist analysts. It can never be guaranteed and it is only valid for a limited time and is often subject to market movements. For example, for short term investors a 'buy' recommendation could turn into a 'sell' recommendation if the market price of a share appreciated by a small amount. For the longer term investor, this market movement may not be significant, although a larger movement may be.

The mere fact that a share or any security is recommended by an analyst in a research report as a "Buy", "Sell" or a "Hold" does not necessarily mean that the share or that recommendation is a suitable investment for you. The recommendation is based on consideration of the investment merits of the share alone.

You should always consult your adviser before acting on any research report. Likewise, any share price targets that may be forecast in a report are based on particular assumptions made by the analyst at the time the report IS prepared. A forecast 'target' price is not a guarantee that the price will actually reach that level.

## General risk disclosure statement and guidance for investors

We will explain to you any significant risks associated with investments or strategies which we recommend to you. If we do not do so, you should ask us to explain those risks to you.

### Equity securities

Equity securities in common with all the other asset classes (e.g. interest rate securities and property investments) can decline in value as well as appreciate. The measure of this change in value is often referred to as 'volatility'. The more the value varies over time, the more volatile the asset is and therefore the more risk involved in investing in it. On the other hand the less volatile an asset is, the less likelihood there is for any significant capital gain or loss from investing in that asset.

Equity securities (e.g. shares) are generally more volatile than other asset classes however, the markets for other asset classes are not as efficient or transparent as the stock market in terms of the information available to investors and the process for continuously determining and making public the real market value of the particular asset. For this reason the real volatility of those other assets is often not fully appreciated.

### Exchange traded options (ETO)

ETOs carry significant risks and are not suitable for all investors. Depending on the options strategies used, you could lose the entire amount of collateral lodged. You should ensure you understand these products fully before deciding whether or not to invest in them. You must read and understand the Phillip Capital Limited Exchange Traded Options Product Disclosure Statement before commencing trading in ETOs.

### Contracts for difference (CFD)

CFDs carry risks which are detailed in the Phillip Capital Trading Pty Ltd Product Disclosure Statement at [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

### Foreign exchange contracts (FXC)

FXCs carry risk which are detailed in the Phillip Capital Trading Pty Ltd Product Disclosure Statement at [www.phillipcapital.com.au](http://www.phillipcapital.com.au)

### Other Risks

In general, the risk of investing in financial products can be categorised in the following manner however, these do not purport to be complete because it would not be feasible to list all the possible risks in each category.

#### Overall market risk

This is the risk of loss by reason of movements in the share market generally. These movements can be caused by any number of factors including political, economic, taxation or legislative factors. Specific examples are changes in interest rates, political changes, changes in taxation or superannuation laws, international crises or natural disasters.

#### Domestic versus international factors

The value of a listed company's equity securities is influenced by the company's vulnerability to international events or other factors affecting the markets for its products or services. These would include movements in exchange rates, changes in trade or tariff policies and changes in overseas stock or bond markets.

#### Sector specific factors

These would include demand for the products or services of the company, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology.

#### Stock specific factors

These would include the company's directors, the strength of the company's management and the significance of any key personnel, the company's profit history, the company's tangible asset base, debt level and fixed cost structure, litigation, profit or losses on particular contracts, drill results, competition from within the sector, and whether the company already has a profitable business or whether it is exploring for recoverable resources or is developing a new product.

## Privacy

Your privacy is important to us. In general, we collect information about you to manage the client relationship we have with you and to ensure that we provide the products and services most appropriate to your needs. Please contact your adviser or obtain a copy of our Privacy Policy from our website. A copy of the Privacy Policy is provided when you open an account.

## Recording telephone conversations

You acknowledge that PhillipCapital may record telephone conversations between you and PhillipCapital. If a dispute arises between you and PhillipCapital, you have the right to listen to any recording of those conversations, if recorded.

## Amendments to this Policy

PhillipCapital may at its discretion and without any prior or subsequent notice to you, amend or remove any part of this Policy at any time to reflect changes in our practices and or applicable law and regulation. Please check the Policy at [www.phillipcapital.com.au](http://www.phillipcapital.com.au) from time to time to ensure that you are aware of any changes or updates to the Policy which will be indicated by a change in the version date noted in the footer of the document. If you do not have access to electronic communication or our website, you may request a copy of this Policy by contacting us.

## How to voice your concerns, complaints and our dispute resolution process

PhillipCapital is committed to providing our clients a quality service and as such we acknowledge the right of clients to make suggestions on how we may improve our service and also to make complaints. PhillipCapital has a dispute resolution process (DRP) for the management of complaints from retail clients. A complaint is defined as any expression of dissatisfaction made to PhillipCapital relating to our product or services or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected. If you have any concerns about the products or services provided to you, we encourage you to discuss this with your adviser as soon as possible. PhillipCapital will endeavor to research and respond with an acceptable remedy to your complaint as soon as possible depending on the complexity of your complaint. If you are dissatisfied with the handling of your complaint by your adviser or the remedy offered, please contact:

### PhillipCapital Complaints Officer

Telephone +61 3 8633 9800  
Facsimile +61 3 8633 9899  
or in writing to: PO Box 628 Collins Street West Vic 8007  
or email [compliance@phillipcapital.com.au](mailto:compliance@phillipcapital.com.au)

If you do not get a satisfactory outcome or the complaint remains unresolved after 45 days, you have the right to complain to the external dispute services:

### Australian Financial Complaints Authority (AFCA)

GPO Box 3, Melbourne VIC 3001  
Telephone 1800 931 678 (Free Call)  
Facsimile +61 3 9613 6399  
Email [info@afca.org.au](mailto:info@afca.org.au)  
Website [www.afca.org.au](http://www.afca.org.au)

Alternatively you may also be able to pursue the matter with a relevant exchange such as ASX contact details are available at [www.asx.com.au](http://www.asx.com.au)

### OR Australian Securities & Investments Commission (ASIC)

Free call infoline 1300 300 630

ASIC may be able to accept a complaint and you may be able to obtain information about your rights.

### The National Guarantee Fund (NGF)

The NGF is an external fund set up to provide compensation for valid claims arising from dealings with Stockbrokers. How this fund may be available to you is set out in applicable legislation. To make a claim on the NGF you need to refer to the "NGF Information Booklet" available on the SEGC website at [www.segc.com.au](http://www.segc.com.au)

Please note that the NGF does not cover all financial products. For example, it excludes ASX exchange traded options and monies