



CapitalFX

FINANCIAL SERVICES GUIDE

Details

This Financial Services Guide (FSG) is dated the 1 February 2019 and is provided to you by CapitalFX Pty Limited (CapitalFX, we, our, us) to inform you of the financial services provided by us and to comply with our obligations as holder of an Australian Financial Services Licence (AFSL No 385620).

What is the purpose of this Financial Services Guide?

The purpose of this FSG is to provide clients of CapitalFX with key information about the financial services that we offer. It is designed to give you information required to make an informed decision about whether to use those financial services. If you receive an electronic copy of this FSG, you should download or otherwise receive all of this FSG.

What this FSG contains

This FSG contains information about:

- who we are and how we can be contacted
- the services and types of products we are authorised to provide
- how we (and any other relevant parties) are remunerated
- internal and external dispute resolution procedures and how you can access them.

Who we are and how we can be contacted?

CapitalFX is an Australian registered company whose head office is located at Level 27, 25 Bligh Street Sydney 2000. We hold an Australian Financial Services Licence (No. 385620) and are regulated by the Australian Securities and Investment Commission.

We can be contacted at:

CapitalFX Pty Ltd
Level 27, 25 Bligh Street
Sydney 2000

Email: info@capitalfx.io

CapitalFX Forex
Suite 604, Traveller House
35 Grafton Street
Bondi Junction NSW 2022

Email: forex@capitalfx.io

Website: www.capitalfx.io

Other documents you may receive

Product disclosure documents

A product disclosure statement (PDS) is a document (or group of documents) that makes disclosures about a financial product (other than securities). A PDS contains important information to assist you in making a decision about the product. You will receive a PDS if a recommendation is made to acquire a particular financial product or an offer is made to issue or arrange the issue of a financial product. PDSs will be given for managed funds, options, superannuation products, margin lending and other financial products or services, as required by law.

A prospectus will be given to you when an offer of securities (such as shares, debentures or options over them or rights issues in relation to them) is made. The prospectus describes the offer and contains important information to assist you in making a decision about investing in the security. You will receive a PDS if a recommendation is made to acquire a particular security which is the subject of the prospectus, which typically happens for IPOs and some rights issues.

Transaction Documents

The provision of financial products and services by CapitalFX will be undertaken in accordance with the terms and conditions detailed in the documentation that you will either receive from us or have downloaded from our website with respect to the relevant financial service provided to you.

Broking, settlement, clearing and custody

CapitalFX is not a participant of ASX or other exchange so it arranges your orders to be executed either through a broker or directly with the issuer of an OTC derivative to you. CapitalFX also has arrangements with its associate, Gleneagle Securities (Aust) Pty Ltd (Gleneagle), to use the services of executing brokers to effect these transactions including providing to you CHESS services and to settle and to clear all ASX transactions as executed or arranged to be executed by CapitalFX. These executing brokers are clearing participants or engage a clearing participant.

If you have any financial products held by a custodian for you, the custodian will provide you with their documentation.

You should also read the documents provided by those other persons, such as their Financial Services Guide, disclosure



guide, CHES Sponsorship agreement, clearing agreement and custody (or “nominee services”) agreement and any explanatory documents provided by them. These are provided to you if you elect to have these services. Please ask your Adviser for a copy if you have not already received one.

What Financial Services are we authorised to provide?

CapitalFX is authorised to provide the following financial services, namely, to:

(a) provide financial product advice for the following classes of financial products:

- (i) deposit and payment products limited to: (A) basic deposit products; (B) deposit products other than basic deposit products;
- (ii) derivatives;
- (iii) foreign exchange contracts;
- (iv) debentures, stocks or bonds issued or proposed to be issued by a government;
- (v) interests in managed investment schemes including: (A) investor directed portfolio services;
- (vi) interests in managed investment schemes limited to: (B) MDA services;
- (vii) securities; and
- (viii) standard margin lending facility;

(b) deal in a financial product by:

- (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products: (A) derivatives; (B) foreign exchange contracts; and (C) interests in managed investment schemes limited to: (1) MDA services; and
- (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products: (A) deposit and payment products limited to: (1) basic deposit products; (2) deposit products other than basic deposit products; (B) derivatives; (C) foreign exchange contracts;

- (D) debentures, stocks or bonds issued or proposed to be issued by a government;
- (E) interests in managed investment schemes including: (1) investor directed portfolio services;
- (F) interests in managed investment schemes limited to: (1) MDA services;
- (G) securities; and
- (H) standard margin lending facility; and

(c) make a market for the following financial products:

- (i) foreign exchange contracts; and (iii) derivatives;

to retail and wholesale clients.

CapitalFX is acting for itself when it provides its financial services to you. This is referred to as the “Prime Account Service”.

Our relationship with you

CapitalFX is responsible for the financial services we provide to you.

CapitalFX acts as principal in all transactions with you in respect of OTC financial products. CapitalFX may also arrange for you to be supplied with financial services and products issued by non-related product providers. CapitalFX may receive a fee or commission payment from these non-related issuers or providers as a result of you investing in one of their products or services.

Prime Accounts

Prime Accounts are accounts which allow you, as the client, or your financial advisor, as your representative, to instruct CapitalFX to deal in financial products on your behalf. These accounts are client directed and you determine the composition of your portfolio.

Who is the custodian of your Assets?

CapitalFX does not provide custody services. A client’s assets are either in your name or, in limited cases, are held by a custodian appointed by you. CHES-sponsored investments in your name are sponsored by a CHES participant arranged by CapitalFX, if you elect to have that service.

How you can instruct us and your obligations



CapitalFX

CapitalFX accepts order instructions in any of the following ways:

- electronically, via electronic trading platform;
- via telephone; and
- in writing (including email if authorised by you), you must check and confirm with us that orders sent via fax or email have in fact been received by us.

It is your obligation to review any confirmation or statement we send to you to ensure its accuracy and report any discrepancies to us immediately.

If you wish to discuss your Prime Account, obtain information about the type of portfolio in which you are invested, reporting or to update your personal information, you should contact CapitalFX.

Reporting

Whenever a transaction is executed on your account, a confirmation or statement will be sent to you by the executing broker or the issuer of an OTC derivative, or by CapitalFX on their behalf. The confirmations may be delivered electronically to you, if authorised by you, according to CapitalFX and the other person's requirements.

General Advice and Personal Advice

Any advice given by CapitalFX is general advice only unless it is identified as personal advice to you. Our general advice provided to you as a retail client does not take into account your objectives, financial situation or needs.

Under the law regulating provision of financial services, general advice and personal advice have special meanings and may differ from what you commonly understand. General advice can include direct or implied recommendations about financial products or services, whether generally or for a class or kind of investor, without taking into account your particular circumstances. General advice includes advice based on consideration of the investment alone (including by reference to current market conditions). Such general advice is provided without any expressed or implied recommendation that it is appropriate for you in light of your personal circumstances. The onus is on you, as the client, to assess whether the information or general advice provided is appropriate for your personal needs, objectives and circumstances.

You should be aware that general advice or information is not complete and it might lose currency or accuracy.

Regular updates, marketing materials, research reports, market reports, case scenarios, investment strategy reports, PDSs or other offer documents and website content are not personal advice.

If CapitalFX provides personal advice to you, it will provide a statement of advice or maintain a record of other advice, in any case as required by law.

Record Keeping

CapitalFX seeks to ensure that comprehensive and accurate records of client profiles, together with all advice or recommendations provided are properly maintained.

How we are remunerated

You may pay CapitalFX a fee depending on the type and level of services provided to you, the exchange upon which the transaction is to be conducted (if any), the frequency and volume of transactions executed, the financial products you choose and the amount you invest. In particular, CapitalFX may receive fees and other benefits from the financial products that it issues to you. Unless otherwise stated, all fees, charges, commissions and benefits disclosed in this FSG are inclusive of goods and services tax (GST).

Equities fees and rates

The standard fees you will typically be charged for transactions in ASX-traded equities are 1.1% (GST included) of the transaction value subject to a minimum of \$82.50 but subject to a maximum of 1.65% and \$150 (GST included).

If your transaction is not typical (e.g. due to significant size relative to liquidity of the stock or is traded overseas), we may negotiate with you a different fee. Fees for transactions made on exchanges other than an ASX are available on request.

ASX Derivatives fees

The standard fees you will typically be charged for exchangetraded derivatives are 1.1% (GST included) of the premium amount subject to a minimum of \$82.50 subject to a maximum of 1.65% and \$150 (GST included).

OTC Transaction fees

The fees, costs and charges for OTC Transactions are disclosed in the PDS for those products.

Other financial product providers and fees and commissions



Each CapitalFX advisor may arrange for financial services and products to be provided to you by other product providers. CapitalFX may receive commission payments as a result of you using their products or services.

If you have been referred to CapitalFX, the referrer may receive part of any brokerage or fee received by CapitalFX or you may be asked by the referrer to pay them a fee out of your Prime Account.

The amount paid or received by CapitalFX (or its representatives) will depend on CapitalFX's arrangements with the referrer.

General

Note that the fees, charges or other costs listed below which are imposed by other persons are correct at the date of this FSG but are subject to change without notice to you. These are amounts which you are liable to pay because of your contractual arrangements with other persons, such as executing brokers or clearing participants, even though CapitalFX may be arranging your transactions.

Fail fees and default charges

When your account does not have available the financial products necessary to meet your settlement obligation, or if you do not provide us with sufficient funds in time to settle market obligations in relation to a buy transaction, you will be charged fail fees, which will be the greater of \$55 and the daily ASX fail fee, which is calculated at 0.1% of the settlement consideration, subject to a minimum of \$55 and maximum of \$5,500 for each failed settlement. Your executing broker or clearing participant may also charge you interest at default rates disclosed by them in their documents given to you. We may also be liable to your executing broker or clearing participant for your default and we may charge you for that cost to us for meeting the liability arising from your default. If the fee (including interest) charged to CapitalFX for your default is partly attributable to the overall balance of all CapitalFX accounts, CapitalFX may adjust the fee to you (up or down) to an amount commensurate with the cost of your default (so that other clients do not subsidise your default).

If you owe an amount to CapitalFX and you have not paid that amount, CapitalFX may charge interest on that outstanding amount, even if it relates to your liability to a person appointed by you. The rate will be the rate set out or described in any agreements with you or, if not specified or described, at the rate charged to CapitalFX for such defaults or, if that is not applicable, CapitalFX's prevailing debit interest rate determined by it from time to time.

Additional fees may be charged for transactions and services, including but not limited to international transfers, bank cheques and additional account administration fees.

No direct debit / credit set up with account	\$33.00 for each transaction
Cheque & Direct Debit Dishonour	\$55
Cheque Stop Payment	\$20
Transaction reversal or corrections due to client error	\$27.50
Customer Trace Fee	\$30
Telegraphic Transfers	\$55
Real Time Gross Settlement (RTGS) (Domestic)	\$55
Off Market Transfers	\$55 per stock
SRN Requests to Share Registries	\$22.00
Initial fail fee charge for each contract note that is failing	\$55
Stock borrow fee	\$110
Exchange traded derivative Collateral Lodgement	\$5.50 per stock collateral lodged
Mailed transaction confirmation	\$1.10 per confirmation

CapitalFX may charge a fee for printing and postage of confirmations if you have the ability to receive electronic confirmations but have chosen not to do so. We may also charge reasonable amounts for additional reports or communications required by you. These fees will be advised to you prior to you requesting this information.

Detail of Associations or Relationships

CapitalFX has arrangements with its associate, Gleneagle, who has a relationship with providers of broking, settlement, clearing, custody and portfolio administration services. These relationships do not materially influence the provision of financial services by CapitalFX to you. Some of these services are available directly to you if you elect to receive them.



CapitalFX

CapitalFX outsources some of the services related to investment management to expert third parties.

Disclosure of Relevant Conflicts of Interest

CapitalFX by its arrangements with its associate Gleneagle, has relationships with various parties whereby it pays fees or receives fees, charges or other remuneration (provided it is not banned conflicted remuneration). These parties may include (but are not limited to) product issuers, brokers, custodians, fund managers, banks, investment advisors, financial planners and other referral sources.

CapitalFX has documented processes for controlling, avoiding and disclosing relevant conflicts of interests.

If the range of fees, commission, charges or other benefits received by CapitalFX from a third party is not disclosed in this financial services guide, we will update any disclosure to you as soon as we can.

Our employees and representatives

Our employees and other representatives are remunerated through a base salary and non-base salary compensation for their work for CapitalFX and related entities. The nonbase salary includes a share of commission, fees or other payments earned by CapitalFX (and, depending on the scope of their employment, related entities) which provides the financial product or service. The proportion of the net revenue shared with the employee or other representative ranges between 0% and 75% and is based on their level of experience, length of service with CapitalFX or its related entities, the level of qualifications and the market conditions.

Our employees and other representatives may also benefit from various internal incentive schemes including seminars, conferences and training programmes and non-cash rewards. Participation in these schemes is generally based on revenue production, minimum length of service and compliance with group policies and industry regulations.

Professional Indemnity Insurance

CapitalFX has the benefit of professional indemnity insurance that complies with section 912B of the Corporations Act 2001. This professional indemnity insurance covers claims in relation to the conduct of current employees and past employees.

In accordance with Regulatory Guide RG 126 and Section 912B of the Corporations Act 2001, CapitalFX has the benefit of professional indemnity insurance in place which covers the work done for it by representatives and employees.

How is my personal information dealt with?

Your privacy is important to us and we are committed to compliance with the Privacy Act 1998 (Commonwealth) and the Australian Privacy Principles. We maintain a record of your personal profile which includes your personal details and details of your investments. We also maintain records of any recommendations made to you.

We may disclose your personal information to external parties, such as our financial service providers, for the purposes of arranging/facilitating your investments or transactions. Such external parties are committed to protecting your privacy. We may also collect, hold and use your personal information to undertake appropriate administration, including in relation to the "Know Your Client" obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) (AML/CTF Act).

If you wish to access information we hold about you, please contact us and we will make arrangements for you to do so. A copy of our Privacy Policy is available from us. Please contact us if you have any concerns.

Anti-Money Laundering

CapitalFX has adopted a programme that complies with the AML/CTF Act. As part of this process, you will need to provide evidence of identification.

Dispute resolution

We want to know about any problems you may have with the service of CapitalFX so we can take steps to resolve the issue. If you have a complaint about the financial product or service provided to you, please take the following steps:

1. Contact your agent or CapitalFX advisor directly and tell him/her about your complaint. You may do this by telephone, email or letter.
2. If your complaint is not satisfactorily resolved within 5 business days of receipt of your complaint by your CapitalFX advisor or agent, please contact Head of Compliance or put your complaint in writing and send it to the Compliance Department at: support@capitalfx.io

CapitalFX Pty Limited
Level 27
25 Blich Street
Sydney, NSW 2000

We will try to resolve your complaint quickly and fairly.

Complaints received in writing will be acknowledged within 5 business days of receipt of your written complaint and we will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint.

3. If you still do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority (AFCA). AFCA is an external complaints and dispute resolution body. The service to you is free. The contact details for AFCA are:

Australian Financial Complaints Authority

Mail: GPO Box 3
Melbourne VIC 3000

Toll Free: 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

CapitalFX - membership number 24605.

4. The Australian Securities and Investments Commission (ASIC) also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Recording of Telephone Conversations

CapitalFX may record conversations between you and our employees or authorised representatives (with or without an audible tone). You may request a copy of the transcript of these recordings in anticipation of or in the event of a dispute. We may charge a reasonable administrative cost for providing this service.