

Financial Services Guide

May 2020

General Information

Vested Equities Pty Ltd ABN 54 601 621 390 ('Vested Equities', 'we', 'our', 'us') is an Australian Financial Services Licensee (AFSL) No: 47898.

This document is a Financial Services Guide ('FSG') outlining the general information about the financial products and services we offer, as follows:

- who we are and what we do
- advisory services
- further disclosure documents
- transacting with us
- how we are remunerated
- dispute resolution
- compensation arrangements
- potential conflicts of interest
- record keeping and privacy

If you have further questions after reading the FSG please contact Vested Equities directly, as follows:

Street & Postal Address: Level 11, 50 Cavill Avenue, Surfers Paradise, QLD 4217

Telephone: +617 5655 5341

Facsimile: +617 5655 5331

Email: contact@vested.com.au

Website: www.vested.com.au

Who we are & what we do

Vested Equities is a financial services firm that deals primarily in securities listed on the Australian Securities Exchange (ASX) and over-the-counter and exchange-traded derivatives.

We are authorised to provide an execution-only service, general advice or personal advice to deal in deposit and payment products, exchange-traded derivatives, standard margin lending facilities, managed investment schemes including IDPS and securities, to both retail and wholesale clients.

Vested Equities arranges for you to be provided with financial services and products issued by non-related product providers, for which we may receive a fee or brokerage payment from these non-related issuers, as outlined in this FSG or as otherwise disclosed to you.

Advisory Services

Vested Equities is authorised to provide personal advice but may not always do so. If we provide 'general advice' only to you, it is important to remember that this 'general advice' will not take into account your personal objectives, financial situation or needs. Therefore, we recommend that you take all reasonable steps to fully understand the outcomes of specific products and strategies adopted in relation to utilising the services provided by Vested Equities.

Personal Financial Advice

Personal advice is financial advice prepared taking into consideration your current individual investment & financial objectives, situation and needs. However you do not have to provide us with this information. If you choose not to provide this information, we will not be able to provide you with personal advice and any subsequent information you receive will be general in nature and may not be appropriate to your objectives, financial situation and needs.

If we do provide you with personal advice, you will receive a Statement of Advice (SOA), which will detail the advice given and the basis on which the advice was given, any fees or brokerage charges received in providing the advice, any business relationships and associations which may have influenced the provision of the advice and a warning where the advice has been provided based on incomplete information.

Where you obtain regular advice from us, once we have provide you with an initial SOA a further SOA may not be provided each time we give you further advice so long as your circumstances and the basis of the advice are not significantly different to your circumstances at the time the initial advice was provided. You can request a copy of the Record of Advice (ROA) up to 7 years after the advice is provided.

Limitations on the Advice provided

It is important that you understand that the advice we provide you may be limited because:

- you have only provided selected personal information
- you have sought scaled advice e.g. only in respect of a security or securities
- your adviser has limited authorisation e.g. is not a tax agent
- your adviser is restricted to advising on products on that are Vested Equities approved products
- your adviser is restricted to dealing and advising only on the products described in our licence.

In formulating recommendations, the advice provided to you, does not consider taxation, legal and estate planning implications. As we are not specialists in these areas, if you require specific advice, you should seek further advice, as relevant, from an appropriate specialist.

Vested Equities can provide limited personal advice that is limited to a particular financial product range and/or based on limited relevant personal information. This may mean the advice and resulting investment may not be appropriate to your individual investment objectives and personal circumstances. You should make your own assessment of the appropriateness of any such advice.

General Advice

General Advice is factual information in relation to a particular stock, sector or the market generally and is provided to you without taking into account any specific details of your personal situation. That is, the advice will be “general” in nature and may not be appropriate to your objectives, financial situation and needs. Examples of general advice are where we provide you with newsletters, research reports and market commentary. Because of that, you will not receive a SOA and you should, before acting on the advice, consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs.

While Vested Equities believes the general financial product advice and information we provide is accurate and reliable, we will not assume any responsibility for the accuracy and completeness or currency of that advice and information.

Further Disclosure Documents

Vested Equities will provide clients with documentation to facilitate transactions including client agreements, terms and conditions and confirmation of transactions. Where we make a recommendation on a product (other than ASX-listed securities) to a retail client, we will provide a Product Disclosure Statement (PDS), which will assist you in deciding whether to acquire the financial product. The PDS contains important information about the product features, benefits, risks and fees associated with that particular product. The PDS should be read carefully to enable you to make an informed decision about whether to utilise the product.

Please note that a PDS is not required for investments in securities. We have prepared a guide to investing in securities and this is available on our website www.vested.com.au or by contacting us directly. You should ensure that you understand the risks and procedures before investing in securities.

Transacting with us

Third Party Service Providers

Before transacting with us you will need to have opened an account with our preferred third party service providers. For shares and options trades, we have appointed market participants to provide execution, clearing and settlement services for:

- transactions in securities and other financial products executed through the ASX;
- for transactions in all derivatives (such as Exchange Traded Options) executed through ASX;
- settlement services for transactions executed by, or on behalf of our clients; sponsorship services; and
- nominee and other custody services.

This means you will become a client of our preferred service providers. Vested Equities will arrange for you to be provided with the service provider's FSG and other documents detailing further information. In arranging for a third party to provide these services to you, Vested Equities will act as your agent, not as the agent of the third party.

The service provider will provide you with your contract notes. You should contact the service provider immediately if you do not receive a contract note or if there are any discrepancies.

For Contracts For Difference, Vested Equities will arrange for its clients to be provided with the FSG, PDS and other disclosure documents detailing further information about the services provided by our preferred third party product issuer. You will receive your daily statement from the product issuer. Vested Equities will act as your agent, not as the agent of the product issuer.

Giving Instructions to us

You can give instructions to us in any of the following ways:

- by the telephone (note your telephone calls to us may be recorded);
- in writing (including email or facsimile by prior arrangement only, note you must confirm with us that such instructions have in fact been received by us as electronic communications may fail or not be received in a timely manner); or
- electronically via direct entry into trading systems that we provide access.

For Margin Lending products, on specific request by the client, Vested Equities provides the disclosure documents and the application. Vested Equities makes no recommendation as to which is the best

provider or whether the product is suitable for the client. Vested Equities advises clients that they should seek independent financial advice to determine whether margin-lending products are suitable for their purpose and circumstances. Vested Equities will forward completed application forms to the product provider. Vested Equities receives a brokerage from the product provider. The product provider undertakes the assessment of the client's income and liaises directly with the client on all subsequent events such as credit assessment, loan to valuation limits, margining etc. Vested Equities will not notify you of a margin call.

How we are remunerated

Vested Equities is remunerated through the fees and brokerage charges that we charge you for executing transactions on your behalf. Fees and brokerage charged will depend on the type of financial product being traded, the frequency of your trading activity, the type and level of service required and the size of your transaction.

See Appendix A in this FSG for details of fees that you will be charged for using our services.

Vested Equities charges fees for the services and products provided. Where we provide you with personal advice, detailed information about fees, brokerage charges or other benefits we may receive will be provided within your SOA, ROA or Advice Confirmation letter. These fees may be charged in various ways, including an advisory fee or ongoing service fee, e.g. initial fee, account fees, management fees (which include transaction, ongoing and, if applicable, any borrowing costs) and/or brokerage administration fees based on funds under management or advice. More details in relation to your advice and the brokerage charges paid will be disclosed in your SOA and/or by request.

Vested Equities may receive brokerage charges from some product providers other than for insurance for some pre-existing arrangements. We may receive remuneration from a product issuer in the form of upfront brokerage where authorised by you. These fees or brokerage charges are different for each product and will be disclosed in the relevant PDS. As a guide on the details of such charges that Vested Equities may receive, see Appendix A.

Interest on Client Segregated Account ('Trust Account')

We may receive interest on credit balances of the Trust Account and Vested Equities will retain any such interest received.

Referrals

You may have been referred to us by a third party service provider who may receive financial or non-financial benefits from us. These should be disclosed to you by the service provider in question. Please note that such benefits will not impact transaction fees or the rates you will be offered for financial products or services undertaken with Vested Equities. Any remuneration received by a third party is not an additional cost to you nor does it affect the fees we charge. If a component of our remuneration or benefits are not expressly set out in this FSG, you may request particulars of the remuneration or benefits within a reasonable time after you are given this FSG and before any financial service identified in this guide is provided to you.

Soft dollar benefits

Vested Equities may from time to time receive a benefit from preferred product providers including educational seminars, conferences, and training days. Details of benefits above \$300 received by us will be maintained on a register.

Adviser remuneration

We may receive a share of remuneration received as outlined above. We may receive up to 100% of transactions based fees, brokerage charges or other fees. More details in relation to your advice and the brokerage charges paid will be disclosed in your SOA and/or by request.

Dispute Resolution

We take every reasonable step to ensure we provide you with quality service. Vested Equities has an internal dispute resolution policy in place to help resolve any complaints or concerns you may have about the service provided to you. If you have a complaint about the service provided, it should be directed to the Complaints Officer (by telephone, facsimile, or letter) at the address on the first page of this FSG, or by email to compliance@vested.com.au.

We will provide you with acknowledgement of written complaints within 3 business days. We will investigate your complaint expediently and provide our written response detailing the reasoning of our decision, in writing within 30 days of receipt. If you are not satisfied with the resolution of any complaint, you may raise your concerns with the Australian Financial Complaints Authority ('AFCA'). Contact details for AFCA are: **Phone:** 1 800 931 678; **Address:** Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001.

You may also contact the Australian Securities & Investments Commission ('ASIC') on 1300 300 630, to

make a complaint and obtain information about your rights.

Compensation Arrangements

A professional indemnity insurance policy, which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act 2001 (Cth), is in place to cover the professional services provided by the current and former employees and representatives of Vested Equities, and its Corporate Authorised Representative,

Potential Conflicts of Interest

Vested Equities and its advisers may be required to disclose information about associations or relationships between Vested Equities or any related body corporate, and the issuers of any financial products, being associations or relationships that might reasonably be expected to be capable of influencing advice. Where potential or actual conflicts or associations of this nature exist, we will disclose them to you if and when we provide you with advice, verbally and outlined in a SOA or ROA.

You should be aware that:

- Vested Equities is remunerated wholly or in part on a share of brokerage or brokerage basis.
- If you have been referred to us by a third party, they may receive a share of brokerage charged to you.
- Vested Equities may have material interests in companies from time to time. These may be companies we have raised capital for, provided advice to or produced research on.

Record Keeping and Privacy

To enable us to provide financial services and products to you, we are required under the Anti-Money Laundering and Counter-Terrorism Financing Act ('AML-CTF Act') to initially verify your identity and the source of any funds. This means we will ask you to present identification documents such as passports and driver's licenses and we will retain copies of this information, held securely. If we are unable to collect all information requested in the account opening process or requested during the subsequent services, we may be unable to provide or continue to provide services.

We also have an obligation to conduct ongoing monitoring of client's transactions, but we are restricted under the ÁML-CTF Act to disclose any suspicious concerns to clients. You should ensure that you advise us of any changes to your identification details, bank details or any other relevant information.

We may collect, hold and use your personal information to assess your application, service your needs as an investor, provide facilities and services to you and for other purposes permitted under the Privacy Act 1998 (Cth). Tax and company law also requires some of the information to be collected with your application. We maintain a record of your personal profile, which includes your personal details, details of your objectives, financial situation and needs, if provided to us. We also maintain records of any recommendations made to you. Telephone calls with us may be recorded to allow for a record to be kept of orders taken and to ensure that our service standards are met. Any personal information collected about you will be handled in accordance with our privacy policy.

Your information may be disclosed to third party service providers on the basis that they deal with such information in accordance with any executed agreement and in compliance with our privacy policy. We may also need to disclose information about you to government entities and regulators as required by law.

If you wish to access information we hold about you or have any concerns, please contact us. A copy of our privacy policy is available from us or our website www.vested.com.au

Appendix A

1. Transaction Brokerage fees

Rates are subject to negotiation prior to transacting any business. Fees and brokerage charges, once disclosed and agreed, will be charged to your trading account when you buy and sell at the time your transaction is executed. The brokerage rates below are the maximum that Vested Equities could charge and are provided as a guide. Please contact us for your most competitive rate.

| Product Type | Maximum Fee (including GST)¹ |
|---|---|
| Securities & Warrants | per transaction up to \$220 or 2.2% of transaction value (whichever is greater); typical fee is \$110 or 1.1% |
| Exchange Traded Options | per transaction up to \$220 per transaction of up to 40 options contracts and \$2.20 per contract after that; |
| Contracts for Difference (CFD's) | Notional value of transaction up to 1.1%; typical fee is flat rate fee of \$100 or 0.25%. Product issuer spreads may widen by up to 15 points either side |

¹ These rates are subject to change from time to time. Should there be a change in the fee structure, Vested Equities will notify you by email or post a notice to our website www.vested.com.au. Goods and Services Tax (GST) may be levied on brokerage charged to Australian Residents. We recommend that you seek advice from a professional tax agent who can provide advice in relation to the tax deductibility of any fees that we charge. A detailed description of the fees, charges and brokerage charges payable can be found in the Product Disclosure Statement for the relevant financial product. If you request to trade via Direct Market Access (DMA), you may be charged royalties from IRESS. Please speak to your adviser for confirmation of costs and IRESS Terms and Conditions.

2. Miscellaneous fees and charges²

| Service | Fees & Charges (including GST) |
|---------------------------------------|---|
| Manual Bookings | \$33.00 |
| STP Contract | \$16.50 |
| Non-STP Contract | \$31.50 |
| RTGS Payments | \$55.00 |
| SRN Requests | \$27.50 |
| Postage of confirmation contract note | \$2 per confirmation contract note |
| Initial Fail fee charge | 10.0 bps with a minimum of \$110.00 per day |
| Dishonour fee | \$82.50 |
| ASX levied fail fees | On charged |

² Type of Product Basis for calculation brokerage payment we may receive. For Managed Funds products, upfront brokerage can range from 0-3% (paid by client to Vested Equities). Ongoing brokerage can range from 0% to 3% p.a. % (paid by client to Vested Equities). Management Fee Daily Portfolio Value ongoing brokerage can range from 0% to 3% p.a.(paid by client to Vested Equities). Margin Lenders Amount of facility ongoing brokerage can range from 0% to 1.5% p.a. Cash Management Trusts Daily balance of account Ongoing brokerage can range from 0% to 0.75% p.a.

For the above Wealth Management transactions, a fee for service may be negotiated. An hourly rate of \$375 + GST upfront will be payable with ongoing combination of fees and brokerage charges. We may also receive fees in relation to Initial Public Offerings and underwriting activities. Fees can vary from 0% to 10% of the amount raised or underwritten, and on occasion we may also receive some free shares or options in the company we are sponsoring or underwriting. These fees will be disclosed in the offer document, prospectus or PDS issued by the issuer. We may receive referral fees from time to time from Margin Lenders. These will vary depending on the product provider and the balance of your loan. Generally we may earn a fee of up to 1.5% of the loan amount.