

About this Financial Services Guide

This Guide is designed to answer your preliminary questions regarding the financial services we are authorised to provide and it will assist you in deciding whether to use any of the services offered in this Guide, how we and other relevant persons will be paid in relation to the services, and information on our complaints procedures.

Documents you may receive from us

If you choose to use our services, you may receive a Statement of Advice, Record of Advice and/or a Product Disclosure Statement or Prospectus.

Statement of Advice

If you are a retail client as defined under the Corporations Act and we give you personal advice (i.e. advice which has taken your personal circumstances into account), you will, the first time we give you advice, be issued with a Statement of Advice which sets out your relevant personal circumstances that you have disclosed to us, our advice, the basis of that advice and any commissions, fees or other benefits or associations that are relevant to that advice. The Statement of Advice may be very detailed, as in the case of a financial plan, or relatively simple if, for example, we are giving you additional advice in relation to your circumstances which may amplify or amend our earlier advice. In the case of subsequent personal advice where your circumstances have not changed from those previously advised to us and the basis of advice has not changed, no further documentation will be provided. However you may request a copy of the Record of Advice in writing in relation to that advice up to seven years from the date the advice was provided.

It is important that you give us accurate and complete information regarding your relevant personal circumstances such as your investment objectives, financial situation and needs, otherwise our advice may not be appropriate to all your circumstances.

Disclosure Document

If we recommend a particular financial product to you, you may also receive a Product Disclosure Statement ('PDS') or Prospectus prepared by the financial product issuer which will set out all the necessary information you require to assist you to make an informed decision about the financial product.

Best Execution Policy

There are multiple licensed market operators in Australia on which securities may be bought and sold, including: ASX Limited, Chi-X Australia Pty Ltd and National Stock Exchange of Australia Limited. Patersons has detailed policies and procedures regarding the steps we take to obtain the best outcome whenever an order is transmitted or executed on your behalf. A copy of the policy is available on our website at www.psl.com.au/best-execution-policy or by obtaining a complimentary copy from your Adviser.

What Financial Services can we offer you?

Our Australian Financial Services Licence (AFSL 239 052) authorises us to provide financial product advice, and deal in, the following financial products:

1. Securities;
2. Standard margin lending;
3. Superannuation;
4. Derivatives;
5. Interests in managed investment schemes, including investor directed portfolio services;
6. Managed discretionary account services (including issuing such products);
7. Life products, including:
 - a. investment life products; or
 - b. life risk insurance products; as well as any products issued by a registered life insurance company, that are backed by one of its statutory funds;

8. Deposit and payment products, including basic deposit products and other deposit products;
9. Debentures, stocks or bonds issued or proposed to be issued by a government;
10. Retirement Savings Accounts ('RSA') products within the meaning of the Retirement Savings Account Act; and
11. Operate custodial or depository services other than investor directed portfolio services.

Your Adviser has been authorised to provide advice covering a range of products and services and they can provide you with details of the services they are authorised to provide.

Who will give you advice?

Our Advisers will give you advice. They are representatives of Patersons Securities Limited and we are responsible for the advice they give you. We ensure that your Adviser holds the necessary qualifications and meets continuing education requirements to provide the services for which we are licensed.

Patersons may authorise a company or an individual to act as its Authorised Representative. Authorised Representatives may be individuals or companies and Patersons is responsible for their conduct when they act on behalf of Patersons. Each Authorised Representative has their own authorisation, specialisation and area of expertise. You should review the Financial Services Guide of the Authorised Representative to ensure that they are the most appropriate person to assist you with your needs.

From time to time, we may act as agent for another client who is the counterparty to your transaction (e.g. a purchase and sale of shares on the ASX). In rare circumstances, we may act as principal on our own account when dealing with you, in which case, we would disclose that we are doing so prior to entering into the transaction with you and adopt the procedures required in those circumstances by the Corporations Act and the ASIC Market Integrity Rules.

Providing instructions to us

You may give us verbal instructions or written instructions by mail. However, we reserve the right not to accept instructions verbally without prior notice and in those instances, will ask you to provide an original written document to us. If you choose to give us instructions by email, Patersons accepts no liability for any failure by Patersons or any of its representatives to act on an instruction given by you in an email that has not been acknowledged to you, either verbally or electronically, or in relation to any email that appears to be from you.

Before we provide a service to you, you will need to provide appropriate identification, sign a Client Agreement with Patersons and comply with the Terms and Conditions of dealing with us.

Other important information

Your investment objectives

When you ask us to provide you with personal advice, it is important that we understand your overall investment objectives and financial circumstances so we can give you advice that is in your best interests. It is very important that the information you give your Adviser is accurate, complete and relevant. In addition, you should inform your Adviser of any changes in your personal financial circumstances to ensure that the personal advice you receive continues to be appropriate.

Each investor will have a different investment time horizon and tolerance to risk. Your Adviser will need to assess each individual's situation, including, but not limited to, cash flow needs, attitude toward the volatility of investments and ultimately your individual investment goals.

Generally, the portfolio that suits those with a shorter investment period and a higher level of capital stability, would include income assets rather than growth assets. Conversely, the portfolio of an investor who has a longer investment horizon, and little need for short-term cash flow, will be willing to accept a greater level of risk and volatility, and have a portfolio that is weighted more heavily toward growth assets.

Please note that your Adviser is not obligated to contact you to provide advice or make recommendations. Opening an account with Patersons, or acquiring any type of financial product does not imply that Patersons, or its Advisers or Representatives are responsible for monitoring your portfolio. Your Adviser cannot provide any taxation or accounting advice, but may, at your request, liaise with any other financial professionals you may utilise to assist you in achieving your financial objectives. You will remain responsible for monitoring your portfolio, and contacting your adviser should you have any questions or concerns.

If any personal advice is based on incomplete or inaccurate information relating to your relevant personal circumstances, you should, before acting on the advice, consider the appropriateness of the advice having regard to all your financial situation, investment objectives and needs. Patersons does not accept any liability for advice given that is based on incomplete or inaccurate information about your personal circumstances.

Accolade Plus Account

Before we can provide Accolade Plus Account services to you, we need you to enter into a Discretionary Management Agreement with us. As part of this Agreement, you will receive an Investment Program which will comply with Division 3 of Part 7.7 of the Corporations Act. It will contain:

- ▶ The nature and scope of the discretion we are authorised and required to exercise under the Discretionary Management Agreement between us;
- ▶ Information about any significant risks associated with the Agreement; and
- ▶ Why we believe that the Discretionary Management Agreement is suitable for you.

An Accolade Plus Account may not be suitable to you if you give us limited or inaccurate information about your relevant personal circumstances or may cease to be suitable if your relevant personal circumstances change significantly. As your financial needs change, your investment strategy may need to be modified. It is important for the success of the Accolade Plus Account that you communicate any major changes in your personal circumstances to your Adviser.

Generally, you may give us instructions in relation to your Accolade Plus Account by phone. However, we reserve the right to request that those instructions be received by us in writing before acting on them.

Your Adviser will review the Discretionary Management Agreement at least once every 13 months in light of your personal objectives, needs and relevant personal circumstances. A Statement of Advice will be issued to you if personal advice is given in respect of your account at that time.

Your Australian domiciled assets will be held in your name and be administered by us and therefore, the Accolade products do not include custodial or depository services for your Australian domiciled assets.

For any assets in overseas listed securities, we have appointed third party providers to perform some of our obligations, including: execution, settlement and custodial services. Patersons deals with the third party providers as principal and we will also maintain records of your holdings.

Potential benefits

- ▶ The management of your portfolio is tailored to your individual needs by expert professional Advisers.
- ▶ Patersons may take advantage of investment opportunities rapidly without difficulties which may arise if you are not contactable.
- ▶ The Accolade Plus service may give you the opportunity to participate in placements by ASX listed companies.
- ▶ The management fee is linked to the success of your portfolio.

Potential risks

- ▶ The net value of your portfolio may fall as well as rise. You should make your own independent assessment of the investment merits of engaging Patersons to provide the Accolade Plus service for your portfolio.
- ▶ Part or all of the investments in the Accolade Plus Account may be invested either directly, or indirectly, in the stockmarket. By its very nature, an investment in the stockmarket entails both general market and company specific risks. While portfolio risk can be mitigated through diversification of stocks, general market related risk will still be present.
- ▶ The Accolade Plus service is a discretionary service which involves the delegation to Patersons of the ability to make investment decisions on your behalf without prior reference to you.
- ▶ The operation of the Accolade Plus service may be affected by changes in the law.

Patersons will act as your agent to exercise or not, all voting rights conferred on any of your investments in your Accolade Plus Account in such a manner as Patersons may determine as being in your interests. Further, Patersons will act as your agent over any security rights you have including, but not limited to, dividend reinvestment plans, share purchase plans, takeover offers and priority entitlements.

Taxation issues

Tax obligations can be very complex and have a profound impact on investment or trading strategies and returns. As we are not registered tax agents, we may only provide perspectives on tax issues in general terms. You should have access to an accountant or tax Adviser to examine the tax issues that relate to your particular circumstances.

Association with related product issuer

Patersons may refer you to, or provide you with, financial services and products from both related and unrelated product issuers.

Privacy Policy

The privacy of your personal information is important to us. In general, we collect your personal information to administer our customer relationships and to ensure that we are able to provide you with the products and services most appropriate to your needs.

Our Privacy Policy, which explains how we handle your personal Information, is available at our website at www.psl.com.au or upon request from your Adviser.

Insurance arrangements

Patersons has adequate professional indemnity insurance arrangements to cover us for the services we provide, including cover for the professional services provided by former representatives who have since ceased working for us.

If you have a concern, please tell us

If our service has not met your expectations and you have a complaint, you may take the following steps:

1. Write to the Compliance Manager, Patersons Securities Limited, GPO Box W2024, Perth, Western Australia 6846.
2. If you are dissatisfied with our response, you may write to the Financial Ombudsman Service at GPO Box 3, Melbourne, Victoria 3001 or contact them on 1300 780 808.
3. The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.
4. If you are still not satisfied with the outcome, you may wish to take independent legal advice to consider your further options.

Costs

Depending on the service offered, you might pay fees or brokerage – or a combination of both. We can design a payment structure to suit your needs. The applicable charges will be disclosed in the Statement of Advice we provide to you, or if no such record is required, we will verbally disclose the applicable charges.

All costs are quoted including GST unless otherwise stated.

Brokerage

Brokerage is charged as a percentage of the total consideration when buying or selling shares or derivatives. The brokerage rates are largely dependent on the type and level of service required, and the size and the frequency of transactions. Your Adviser will negotiate your rate with you, taking these into account.

	Minimum charge	Maximum charge
Equities	\$110	2.75% of the transaction value
Exchange traded options	\$110	2.75% of the transaction value
International equities		
Brokerage	\$110 plus	2.75% of the transaction value plus
International Administration Fee	\$99.00* (i.e. \$110 + \$99 = \$209) per transaction booking.	0.33% of the transaction value

* A different fee may be charged if, for example, the market on which the transaction is to be executed is not part of the standard service or a non-standard broker is used. Stamp duty may also apply in some markets. The fee will be disclosed prior to trading. Patersons reserves the right to decline or accept an order.

Accolade

Portfolio value	Accolade	Accolade	Accolade Plus	Accolade Plus
	Rate per annum	Flat Brokerage Option	Rate per annum	Flat Brokerage Option
Up to \$499,999 then	1.32%		1.92%	
from \$500,000 to \$999,999	0.99%		1.32%	
from \$1,000,000 to \$4,999,999	0.77%		0.99%	
\$5,000,000 or more	0.44%		0.55%	
Portfolio value – flat brokerage option		up to 2.75% pa		up to 2.75% pa
Subject to a minimum fee per account of	\$2,420	\$2,420	\$3,300	\$3,300
Brokerage charged per transaction	Yes ¹	\$110	Yes ¹	\$110

1. The brokerage rate will be agreed between you and your Adviser on the basis set out in the Brokerage section above. Subject to the minimum fee, the cost will be determined by reference to factors such as the size of the portfolio, number of holdings and anticipated number of transactions.

Accolade Premier Service

The Accolade Premier Service will generally involve the preparation of a financial plan, the cost of which is set out below.

	Year 1 Additional Fee incl GST	Annual Fee incl GST ¹
Up to \$999,999 then	1.65%	1.32%
\$1 million to \$2,999,999	1.1%	0.99%
\$3 million to \$4,999,999	0.88%	0.77%
Above \$5 million	Negotiable ²	Negotiable ²
Minimum fee ³		\$2,640

- The Additional Fee is payable in the first year on the value of the investment capital to reflect the additional management required in the first year. The Additional Fee is payable even if you terminate the agreement within the first year.
- Depending on the Adviser's assessment to the complexity of the investment portfolio.
- The minimum fee in the first year of using the service is \$2,640 plus the Additional Fee calculated based on the portfolio size.
- In some circumstances, the annual fee and the additional fee may be tax deductible.

For Accolade Premier Service clients, listed investments will be purchased or sold at a discounted brokerage rate of 0.55% of the total value of each transaction, subject to a minimum fee of \$110, unless otherwise agreed. In addition, where we are entitled to receive a commission in relation to the placement of any unlisted investment or insurance investment, such commission may be reinvested in additional investments or if this option is not available we may rebate this amount to you, except for trailing commissions that are paid under arrangements that have been entered into before 1 July 2013.

Accolade Lite

Portfolio value	Fee
Less than \$150,000	\$110 per month
\$150,001 to \$300,000	\$165 per month
\$300,001 to \$500,000	\$220 per month
More than \$500,000	\$330 per month

Specific advice

If you would like to review specific aspects of your financial situation such as superannuation arrangements, assisting with Centrelink applications or reviews and insurance cover, we can prepare advice for you which is specifically tailored to help you achieve your goals and objectives and, for example, in the case of superannuation, the structure and level of contributions required. The fee for the preparation of a Statement of Advice will be charged based on the complexity of your circumstances and the time required to formulate the advice. The fees charged would be a minimum of \$550 including GST depending on your Adviser's assessment of the complexity of the advice required and will be agreed between you and your Adviser before you receive the service.

Financial Plans

There is a charge for the preparation of a Statement of Advice which incorporates a Financial Plan. The cost varies from \$1,000 – \$5,500, depending on your Adviser's assessment of the complexity of the particular circumstances of each client. However, the cost will be disclosed to you prior to the preparation of the Statement of Advice and before you are under any obligation to pay for this financial service.

Custody fees and account keeping fees

Minimum charge	Maximum charge
International securities	\$264 per annum* 0.0275% per annum based on the closing Australian dollar equivalent market value of your international securities where it is greater than \$264 per annum.*

* Billed annually

Administration Fees

Service	Fee
Estate Administration Fee	\$110 per account
Overseas Account Opening Fee	\$22
Posted/faxed confirmation fee	\$2.20 per confirmation
Overseas Payment (OTT)	\$55
Third Party Payment (EFT/Bpay)	\$33
Differing registration sales	\$55
Real Time Gross Settlement Payment	\$55
Stop Cheque Fee	\$27.50
Late Payment of Account	\$55
Off Market Transfer (OMT)	Off Market Administration Fee on (stock/s code)
	1 - 4 transfers \$75 (per OMT)
	5 and subsequent transfers \$33 (per OMT)
SRN search (12A) Fee	\$55

Accolade	Fee
Non-approved Margin Lender	\$220 per annum
No linked bank account	\$220 per annum
Fees for administering private assets	\$55 per asset

International	Fee
Broker Transfer Fee In	\$55
Broker Transfer Fee Out	\$110
DRS Lodgement	\$55
Certification withdrawal	\$110
Proxy Voting	\$55
Late Proxy Vote	\$165
Transfer of stock between registries	\$55 plus any charges levied by the registry.

Derivatives	Fee
Derivatives administration – annual reporting fee	\$275

For transactions in securities listed on international markets and conversions of foreign currency on your behalf, the foreign exchange rate applied will include a charge of 1.0% of the transaction value unless otherwise agreed between you and Patersons.

Remuneration, commission and other relationships

Patersons remuneration

If your application for securities in a new issue, IPO or float is stamped by us and is successful, we may receive a lodgement fee from the product issuer. All fees associated with an issue will be disclosed in the Product Disclosure Statement or Prospectus. These fees may vary, but typically range from 3.3% to 6.6% of the amount raised. If we act as underwriter or sub-underwriter or facilitate a placement, we may receive fees for acting in that capacity. These fees typically range from 3.3% to 6.6% of the amount raised.

Where permitted by law, we may receive commission and fees from fund management groups, margin lenders and product issuers when we place investments on your behalf that are paid under arrangements for as long as you continue to hold that product. Where applicable, the exact amount may vary from 0% to 11% depending on the product, but usually this upfront commission may be approximately 5.5% of the amount you invest. The exact amount will be disclosed in the applicable PDS and disclosed by your Adviser when you receive personal advice.

Where permitted by law, some product issuers also have ongoing fees or trailing commissions which are payable to us by the product issuer as long as you hold that product. Where applicable and where permitted by the financial product issuer, we may in some circumstances rebate any such fees back to you, usually in the form of additional units, with the exception of trailing commissions from cash management accounts. The financial product issuers of cash management accounts generally pay a commission of 0.25% to 0.275% per annum of the funds invested and up to 0.55% per Annum for as long as you continue to hold that product. All interest rates quoted by cash management accounts are net of any commissions paid to Patersons.

Where permitted by law, a life insurance company may pay us initial and ongoing commissions when we arrange life risk insurance or investment life insurance products through that company. As the commission payable may vary with each insurer, your Adviser will give you details about any commissions receivable by us when advising you about such products.

Any applicable remuneration or commissions will be disclosed in the Statement of Advice or, where a Statement of Advice is not required, at the time that the personal advice is given or as soon as practicable thereafter.

All monies that we hold on your behalf from time to time are deposited into our trust account. We will retain interest paid on that account.

Your Adviser's remuneration

Your Adviser will receive between 45% and 55% of the brokerage and, where permitted by law, fees charged or commissions on investments placed by Patersons on your behalf less any applicable fees and deductions. Where permitted by law, your Adviser may be entitled to receive cash bonuses on achieving specified revenue targets. Applicable fees and deductions include referral fees, damages and losses. In certain circumstances, your Adviser may receive a salary and be eligible for discretionary bonuses based on a balanced scorecard. The basis of your Adviser's remuneration will be disclosed in your Statement of Advice.

Adviser remuneration is only paid where permitted by law. For example, under a payment arrangement that has been grandfathered under the Future of Financial Advice laws or where you have consented to and directed that the payment be made.

Some Executive Directors are remunerated by salaries and others by a combination of commissions and/or fees as set out above plus directors fees. In addition, all Executive Directors may become entitled to bonuses and/or dividends depending on the profitability of Patersons.

Referral arrangements

Where you have been referred to us by a third party such as an accountant, financial planner or other professional, and where permitted by law, we may pay a referral fee to them consisting of a proportion of the fees earned by us in relation to your dealings with Patersons. The fee paid in respect of the referral depends on the particular circumstances of the arrangement with the third party and may be up to 90% of our charges. Any such fee is paid out of the fees received by Patersons and is not an additional charge.

In addition, Patersons has agreements with a number of Australian Financial Services Licensees to provide execution services to their clients through Patersons. Under these arrangements Patersons retains a brokerage fee of:

- ▶ for trades in equities, up to \$33 per order or confirmation or up to 0.11%, whichever is greater;
- ▶ for international securities, an execution fee per confirmation of up to \$99 or 0.33%, whichever is greater, plus \$55 or 0.22% per order or confirmation, whichever is greater;

Where permitted by law, the balance may be paid to your financial adviser, depending on the arrangements between the third party and the financial adviser.

Please refer to the Financial Services Guide or Statement of Advice of the third party or any applicable agreement that contains your consent to such payments for more detailed information.

For example, where permitted by law, you may agree with your financial adviser to be charged 1.1% of sale of \$10,000 in Australian shares. Depending on the specific arrangements with the third party, Patersons would retain \$33 and pay \$77 to the third party (i.e. Your cost is $\$10,000 \times 1.1\% = \110 ; Patersons Fee is \$33; and the Third Party Share is $\$10,000 \times 1.1\% - \$33 = 77$).

This document is intended to provide factual information only, and has been prepared without taking account of your objectives, financial situation or needs and therefore before acting on advice contained in this document you should consider its appropriateness having regard to your objectives, financial situation and needs.

Clearing and Settlement

After processing your order, Patersons (through its Clearing Participant, Pershing Securities Australia Pty Ltd), will issue you with a confirmation detailing the transaction undertaken to buy or sell financial products. Please read this confirmation carefully and contact Patersons immediately if any details appear incorrectly.

Settling your buy transactions and receiving direct credits

Your adviser can help you establish a Cash Management Account (CMA). A CMA can be used to hold the funds with which you plan to buy financial products and settle transactions. Alternatively, you may authorise Patersons' Clearing Participant to directly debit and credit your bank account for settlement purposes (Direct Debit Authority). You can also settle your transactions with Patersons' Clearing Participant using BPAY.

Clearing Participant Documents

Patersons clears and settles transactions through Patersons' Clearing Participant. Patersons' Clearing Participant is licensed under the Corporations Act (AFSL No. 338264). Patersons' Clearing Participant carries the clearing and settlement obligations in respect of any transactions executed through Patersons. When you open a Client Account at Patersons, you will receive a Patersons' Clearing Participant's Financial Services Guide and any other required documentation.