

## Financial Services Guide

This Financial Services Guide is dated: 3 August 2017

### What is a Financial Services Guide?

This Financial Services Guide ('FSG') is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence. It provides you with information about CPS Capital Group Pty Ltd (called 'CPS', 'we', 'us', 'our' in this document) to help you decide whether to use the services we provide.

This FSG explains the products and services products we can offer to you and explains how we (and other related persons) are remunerated for these services.

It includes details of our internal and external complaints handling procedures and how you can access them.

If you choose to use our services you may also receive from us a Product Disclosure Statement (PDS) or Offer Document and or a Statement of Advice (SOA).

### Who are we and who will be responsible for the advice given to you?

Our Australian Financial Services Licence (AFSL) is #294848. CPS is a Stockbroker and Corporate Advisory firm based in Perth, Western Australia, and was established in 2001. We have built a strong reputation for performance and services relating to Australian Equities and Corporate Advisory. CPS is also a member of the National Stock Exchange (NSX.)

Any financial services will be provided by your client advisor, who acts on behalf of CPS when providing authorised services. CPS is licensed under the Corporations Act 2001 (Cth) to provide these services to you.

We do not act as a representative of any other licensee in relation to the services we provide you.

### You can contact us by:

Phone + 61 (08) 9223 2222  
Fax + 61 (08) 9223 2211  
Email [info@cpscapital.com.au](mailto:info@cpscapital.com.au)  
Mail PO Box Z5467  
Perth WA 6831

You can also visit our website at  
<http://www.cpscapital.com.au>

### What financial products do we offer?

Our AFSL authorises us to:

- A. Provide financial product advice for the following classes of financial products:
  - (i) deposit and payment products - basic deposit products;
  - (ii) derivatives;
  - (iii) interests in managed investment schemes, including Investor Directed Portfolio Services (IDPS);
  - (iv) securities;
  - (v) standard margin lending facility;
  - (vi) Superannuation
- b(1) 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. Deal in a financial product by:
  - (i) apply for, acquiring, varying or disposing of a financial product on behalf of another for:
    - a) deposit and payment products - basic deposit products;
    - b) derivatives;
    - c) interests in managed investment schemes, including IDPS;
    - d) securities;
    - e) standard margin lending facility; and
  - (ii) underwriting
    - a) interests in a managed investment scheme; and
    - b) an issue of securities.

to retail and wholesale clients.

Your advisor is authorised to give you advice and deal for you on each of the financial products once they have completed their industry training, and where they are authorised in writing by us.

You should ask your advisor which specific financial products they are able to advise on.

## Our Services

### Scaled Advice

CPS advisors generally do not provide financial planning or financial structuring advice, and consider superannuation, taxation, government entitlements or other personal finance issues.

We recommend that you, separately and in addition to the service we provide, obtain financial planning and financial structuring advice from an appropriately qualified financial planner or accountant in respect of your overall financial circumstances.

### Financial Planning - Superannuation

CPS has a specialist Advisor that can provide you with Financial Planning advice, including Superannuation. If you require advice in relation to Superannuation or Holistic Financial Planning advice, you should ask your existing advisor to refer you to our Financial Planner.

### Share trading

Our Advisors can offer you the service level you require from research and portfolio management to execution only, no advice services.

We offer advice that focuses on providing private and corporate clients with ethical and quality advice. We provide advice on primary market issues, capital raisings, emerging companies, which by nature are speculative investments.

### Services offered:

- Australian securities trading;
- International securities trading;
- Derivatives trading
- Public company capital raisings;
- IPO's, underwritings and placements;
- Venture capital;
- Seed capital;
- Margin lending;
- Options trading;
- Portfolio construction and management;
- Financial Planning
- Superannuation
- Trading strategies; and

### Corporate Advisory

CPS also provides advice to listed and unlisted companies in relation to:

- Mergers, acquisitions and divestments;
- Financial structuring
- Project advisory;

- Valuation; and
- Capital raisings.

### Outsourcing of Financial Services

CPS has engaged the services of Pershing Securities Australia Pty Ltd (AFSL No. 338264) ('Pershing') to provide the following financial services functions to our clients:

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

CPS will be responsible for the advice provided to you in relation to these products and our appointed execution and settlement agent will arrange for the execution and settlement of those transactions.

You will also need to become a client of our Execution and Settlement Agent. We will arrange for all of our clients to be provided with a separate FSG and any other disclosures which contain further information about their services.

### Is the advice we provide suitable and personalised to your investment needs and financial circumstances?

Yes, but only if you provide us all of the mandatory information requested in the Client Profile Form.

Your Advisor needs to make enquiries as to your individual investment objectives, financial situation and needs before they can recommend any investment to you. We will therefore ask you for information at the time you open an account with us, in the form of a Client Profile form, which you will need to complete, sign and return to us.

Where you provide all of the mandatory information requested we will be able to provide you with "personal financial product advice", which is advice that takes into account one or more of your objectives, financial situation and needs.

Where your circumstances have changed in a way that is likely to impact on the advice you receive, you must inform your advisor of the changes to ensure you continue to receive appropriate tailored advice.

You have the right not to divulge the requested information to us, if you do not wish to do so, however your Advisor will then be limited in their ability to make recommendations specific to your requirements. If you decline to provide sufficient information then it is a requirement of opening an

account at CPS that you at least sign the investment profile and tick the limited response option. Following this any advice given to you will be “Limited Advice” and will be provided with the below warning.

**Warning:**

*Please be advised that in cases where CPS and your advisor have been provided with inaccurate or incomplete information by you associated with your relevant personal and financial circumstances (as outlined in your client profile form), you should, before acting on the advice, consider the appropriateness of the advice, having regard to your own relevant personal and financial circumstances.*

**When will you receive a Statement of Advice?**

If we provide you with Personal Financial Product Advice rather than General Financial Product Advice we will initially provide you with a Statement of Advice (SoA).

Advice posted on our website or via bulk email is not Personal Advice.

Your initial SoA will confirm the information provided by you in the client profile form, any investment strategy, or recommendations as agreed between yourself and your Advisor, the basis on which the advice is given and information about fees commissions and any associations which may have influenced the advice.

A subsequent SoA may be issued where you notify us of a material change to your circumstances that is likely to affect the advice you will receive.

**Records of Advice**

After you have received an initial SoA, and if there have been no material changes in your personal circumstances or the basis of the advice has not significantly changed since your last SoA was provided, in future your advisor will record future advice as a Record of Advice.

You may request a copy of any Record of Advice by contacting us at any time. Records of Advice are retained for 7 years after the date on which the advice was initially provided.

**What should you know about any risk of the investments or investment strategies we recommend to you?**

We will explain to you any significant risks of investments and strategies that we recommend, that we are aware of at the time of giving advice. If we do not do so, you should ask us to explain those risks to you prior to accepting a recommendation or advice. We require your risk profile to be declared to us at the time of opening your account.

Risks relating to Capital Raisings or other Corporate Activity are detailed in the issuers Product Disclosure Statement, Prospectus or other disclosure document, or Letter of Offer.

**What are the alternative investment strategies available to you?**

- Review Investment Profile;
- Income yield;
- Capital Stable;
- Blue Chip Profile;
- Growth Oriented;
- Balanced Income Growth; and
- Speculative Risk Trading.

Remember our Advisors make their recommendations based on the information available to them at the time of advising you. Markets can move extremely quickly, therefore you should satisfy yourself that the investment you are considering is suitable for your time frame and your risk profile. When assessing your tolerance to risk, you need to ask yourself “how much of my capital am I prepared to lose?” as well as deciding whether your strategy will employ an aggressive growth strategy (with high risk) but with the potential to achieve a higher return or whether you are more interested in modest returns and capital preservation (with less potential for loss). As has been evidenced by past market events it is possible to lose money on “blue chip” shares.

**How can you transact with us?**

You can give us instructions by telephone, mail, fax, email or in person.

Your order will be executed and settled through one of our nominated Execution and Settlement Agents, as appointed by us from time to time. You will receive a copy of our Execution and Settlement agents FSG and their terms and conditions at the time of opening an account.

The method by which the Execution and Settlement Agents will accept your or CPS Instructions, will be subject to the terms and conditions of trading between you, the Execution and Settlement Agents and us.

**How we will communicate with you**

We may provide correspondence and important disclosures electronically. We will use the email address provided by you for electronic delivery and notifications, including availability of items via a link on our website. You may contact us at any time to request correspondence by another method, such as by post.

**What commissions, fees or other benefits are received?**

**Brokerage**

CPS and its advisors are paid brokerage on the transaction you are entering into.

The commission you will be charged by CPS for Securities and Exchange traded Equity options transactions will be in the range of 0.2% to 2.5% with a minimum charge of \$82.50 (GST Inclusive), whichever is greater.

This rate will be agreed in writing at the time you open an account with us. Your Advisor is required to set out the remuneration and commissions they receive in the SoA. The charges for each on market transaction will be detailed in each trade confirmation.

Our Representatives are remunerated on a wholly commission basis. Advisors receive 67.5% of the brokerage, fee or commission charged on your trade confirmation. CPS does not receive or pay conflicted remuneration to its representatives.

When you open an account with us you will also open an account with one of our Execution and Settlement agents.

The respective fees are detailed below.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by us, our service providers and or our representatives.

Fees and charges imposed by our Execution and Settlement Agents are detailed in their Financial Services Guide's.

## Fees where Pershing is the Execution and Settlement Agent

### Brokerage

CPS receives part of the brokerage you are charged on your contract note by Pershing.

Pershing collects the execution and administration fee (if applicable) and pays the balance to CPS.

### Example

*If you buy \$10,000 worth of shares, and the brokerage is charged at 2.5%, the brokerage cost to you will be \$275 (GST inclusive), (and if the transaction is not via straight through processing a \$11 (GST inclusive) administration fee will apply) resulting in a total cost of \$286 (GST inclusive).*

*CPS receives the \$250 less the contract note cost of \$15.00, giving a net amount received by CPS of \$235. Of this your Advisor will receive 67.5% (\$158.62).*

### Fail Fees

Where you fail to deliver sufficient stock to settle a sell transaction on the settlement date on your trade confirmation, the resulting ASX imposed fail fees will be passed on to you in full.

Where you fail to settle a buy transaction executed by Pershing on the settlement date on your trade confirmation, you may be charged an administration fee plus 0.1% + GST of the trade value, accumulated daily, until settlement occurs. CPS may invoice you directly for any fees incurred.

### Nominee Fees

Where you register financial products to Pershing Nominee Account, charges will be applied at the rate of \$16.50 (GST inclusive) per stock per month.

### Other Fees

Pershing impose the following fees on CPS for administration services. Where incurred, CPS may on charge these fees to you:

Service	Fee (inc GST)
Overseas payment	\$33
Priority (RTGS) payment	\$13.20
Stop cheque	\$13.20
Direct debit dishonour	\$55

Pershing may also charge a commission or other fees on a contract for the transfer of underlying securities following the exercise of a derivative (such as an Exchange Traded Option) at the rates determined by them and notified to us from time to time. These fees may be passed onto our clients.

## Other Fees CPS may receive

### Initial Public Offerings and Capital Raisings

Where you participate in an Initial Public Offering, placement or other form of capital raising through CPS, there will be no brokerage charged on the initial transaction. CPS may however receive handling fees, or underwriting fees from the issuer. Fees received may be in the form of cash or shares. The fees paid by the issuer will be disclosed in the documentation relating to the issue. If CPS receives any incentive then it will be disclosed to you at the time of making the offer.

### Example

*If you subscribe for \$20,000 worth of shares in an initial public offering and the issuer is paying a 5% handling fee to CPS, CPS will receive \$1000 + GST. Your advisor will receive 67.5% of the ex GST fee, that equalling \$675.*

### Other Commissions

In addition to disclosing the basis and range of remuneration rates, referred to above, CPS will disclose the actual remuneration to you at the time the advice is provided to you, and it will be recorded in the relevant Statement of Advice, Record of Advice or transactional documents.

### Financial Planning - Superannuation

Preparation of Initial Statement of Advice (minimum 10 hours of work): \$3,750 (GST inclusive)

General Financial Planning Advice: \$375 per hour (GST inclusive)

Any fees paid by you for Financial Planning services will be shared between CPS Capital and your Financial Planner. CPS Capital will receive 32.5% of the fee and your Financial Planner will receive 67.5%.

Example:

Preparation of Statement of Advice, cost \$3750 (GST inclusive), CPS will receive \$1096.87, your Financial Planner will receive \$2109.37.

Additional commissions may be paid by product providers where we invest your funds as directed. We will disclose any such fees in the Statement of Advice.

### Ongoing Fee Arrangements

If we have an ongoing fee arrangement with you which exceeds 12 months, then you will receive from us a Fee Disclosure Statement annually setting out the fees you have paid to us, the services that we contracted to provide and what we did provide to you over that period.

Every two years we will send you a renewal notice requesting your consent for us to continue to provide services to you. We must have your consent within 30 days of that notice in order for us by law to continue to provide services to you.

### Portfolio Administration Service (PAS)

CPS may recommend that you utilise a Portfolio Administration Service to help manage your investments. There are several providers who offer comprehensive portfolio management and administration services. These services are generally suited to investors with a substantial investment portfolio. If you subscribe to a PAS, fees will generally be charged monthly, calculated on a percentage of the value of investments in your account (including cash and term deposits) or as a fixed fee amount. The fees vary between providers. If you elect to utilise a PAS Service the applicable fees will be disclosed to you at the time of applying for the service.

### Other Administration Services

CPS may impose administration fees on the following services as indicated below:

Service	Fee (inc GST)
Estate administration	\$220
Off market transfer	\$55
SRN search	\$55

### Interest earned on Client Monies held on Trust

Where funds are held in our Trust Account on your behalf, CPS is entitled to the interest earned on this account.

### Payment for Referrals

Where you have been referred to us by a third party such as other financial Services Representatives, accountants, lawyers, we may pay a referral fee to that third party. The referral fee varies depending on the particular arrangement we have with that third party.

We will separately disclose any referral fee we pay to a third party who refers you to us in your SoA.

### Other Commissions

We may also receive trail commissions on Cash Management facilities paid by the provider. These trails range from .25% to .66% per annum.

We may also receive a trail commission for investments from Fund Managers these are generally 1.5% per annum of the amount invested, dependent on the product.

Your adviser will receive 67.5% of any such payments received.

### Margin Lending

Margin lenders may pay a trailing commission to us. This amount is not charged to you. All details will be included in your SoA or in the Product Disclosure documentation of the Margin Lending provider.

### Example

*If your loan balance was \$50,000 the margin lender would pay us 0.50 basis points, resulting in a total commission of \$275 (GST Inclusive) per annum, your advisor will receive 67.5% of the fee, equaling \$168.75. The balance is retained by CPS.*

### Small Benefits Register

CPS and its Representatives may from time to time receive non-cash benefits with a cash value less than \$300. Details of benefits between \$100 and \$300 will be maintained on a register. These benefits will normally be one off and will not be received from a product provider on a regular basis.

### Associations or Relationships

CPS and its advisors may also be required to disclose information about associations or relationships between CPS 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 the advice. Where conflicts or associations of this nature exist we will disclose them to you when we provide you advice.

### What information do we maintain in your client file and can you examine your file?

We maintain a record of your personal profile which includes details of your investment objectives, financial situation and needs. Personal information collected from you to compile your personal profile may include information such as your financial circumstances, your interests, investment objectives, investment experience, annual income, net worth, existing investments, age, occupation and the level of risk you are prepared to accept.

You may view your client file by providing your adviser with 48 hours notice and then attending the CPS office.



We will not disclose your information to any other person except where such disclosure is authorised by the Australian Privacy Principles or required by law (for example to our regulators).

From time to time we would like to be able to use your personal information to tell you about seminars, services and new offers. If you do not wish to receive this information, please contact us as set out below.

### **Anti-Money Laundering and Counter Terrorism Finance**

As a financial service provider we have an obligation under the Anti-Money Laundering and Counter Terrorism Finance Act 2006 (Cth) to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and a driver's licence. We will also retain copies of this information. We assure you that this information will be held securely. We cannot provide you with services if you are unwilling to provide this information.

### **Our Professional Indemnity Insurance**

CPS confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance in accordance with s912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity Insurance subject to its terms and conditions provides indemnity to CPS and our representatives, employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any representative/employee who has ceased work with CPS for work done whilst engaged with us.

Should you wish to obtain further information in relation to our insurance, please contact us.

### **Who can I complain to if I have a complaint about the advisory service?**

If you have a complaint about the service provided to you, you should take the following steps.

Contact Tony Cunningham or Peter Robinson and provide details of your complaint. Alternatively you can lodge a complaint through our online system at: <https://advice.cpscapital.com.au/Complaint.asp>

Depending on the nature of your complaint, to ensure that we have sufficient detail to thoroughly investigate your complaint, we may ask you to provide us details in writing. If we do request for you to provide details of your complaint in writing, please send it to:

CPS Capital Group Pty Ltd

Att: Tony Cunningham  
PO Box Z5467  
Perth WA 6831.

We will try to resolve your complaint quickly and fairly. If you are not satisfied with our handling of your complaint you may lodge a written complaint with:

The Financial Ombudsman Service  
GPO Box 3  
MELBOURNE VIC 3001

You can call FOS on 1300 78 08 08 or email at [info@fos.org.au](mailto:info@fos.org.au) or fax (03) 9613 6399.

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

### **Privacy**

CPS ensures that the personal information collected about you is private. If you wish to complain about any breach or potential breach of our Privacy Policy or the Australian Privacy Principles, you should contact us.

Your complaint will be responded to within seven days. We will use our best endeavours to resolve any complaint to your satisfaction. However, if you are unhappy with our response, you may contact the Office of the Australian Information Commissioner (OAIC) on 1300 363 992 for further assistance.