



FINANCIAL SERVICES GUIDE

of

RED LEAF SECURITIES PTY LTD
ABN 97 606 000 800
AFSL (510097)

Effective Date: 1st September 2019



ABOUT THIS FINANCIAL SERVICES GUIDE (FSG)

The Financial Services Guide (FSG) provides information on the services that Red Leaf Securities Pty Ltd (RLS) can provide. The FSG also outlines how remuneration is paid to RLS, how to buy and sell equities through RLS and how RLS deals with complaints. The Red Leaf Securities FSG should be read in conjunction with the FSG of Morrison Securities Pty Ltd (Morrison) which is our Clearing and Settlement Agent.

Please ensure that you have read and understood the Red Leaf Securities FSG.

This FSG is dated **1st September 2019** and is provided to you by Red Leaf Securities Pty Ltd.

Red Leaf Securities Pty Ltd (ACN: 606 000 800) is an Authorised Representative of Red Leaf Securities Pty Ltd (ABN: 97 606 000 800) which holds a current Australian Financial Services Licence (510097) and is located at Level 1, 37 Bligh Street, Sydney, NSW, 2000.

www.redleafequities.com.au

Red Leaf Securities Pty Ltd is responsible for the financial services provided to you and for the content and distribution of this FSG.

This FSG contains general information only. If you have further questions after reading it please contact us.

1. About Red Leaf Securities

Red Leaf Securities Pty Ltd (ACN: 606 000 800) operates as a holder of Australian Financial Services Licence (No. 510097). RLS is responsible for the Financial Services described in this guide under Red Leaf Securities Pty Ltd AFSL.

Red Leaf Securities is a financial services firm that provides trading services for financial products listed on licensed markets such as the ASX market. Red Leaf Securities will also arrange for clients to access products issued by other Australian Financial Services Licensees as recommended from time to time, such as cash management trusts. Your investment advisor is a representative of, and acts on behalf of, Red Leaf Securities Pty Ltd.

For authorising Red Leaf Securities Pty Ltd as a Corporate Authorised Representative of Red Leaf Securities Pty Ltd, Red Leaf Securities Pty Ltd receives a flat monthly fee. Red Leaf Securities Pty Ltd has arranged for Red Leaf Securities Pty Ltd clients to access third party execution, clearing and settlement platforms

2. Contact Details

Red Leaf Securities Pty Ltd
Chief Executive Officer: John Athanasiou
Address: Level 1, 37 Bligh Street, Sydney, NSW 2000
Phone: 02 9254 9017
Email: contact@redleafsecurities.com

3. Additional Disclosure Documents

Product Disclosure Statement/Prospectus

If we recommend a particular financial product to you, you may receive a Product Disclosure Statement 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.

Where we make a recommendation on a product (other than securities listed on the ASX) 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 product. The PDS should be read carefully to enable you to make an informed decision about whether to utilise the product.

4. Financial Services we authorised are provide

Red Leaf Securities Pty Ltd has authorised RLS to provide the following services:

Provide general advice to and deal on behalf of retail and wholesale clients in relation to:

- managed investment schemes including IDPS and
- securities

5. Nature of Advice and our Responsibilities

As we provide 'general advice' only to you, it is important to remember that this 'general advice' does not take account of your objectives, financial situation or needs. Therefore, it is recommended 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 RLS. Newsletters, Trade Alerts and research papers are example of general advice RLS may give you.

While Red Leaf Securities Pty Ltd believes the general financial product advice and information it provides is accurate and reliable, neither RLS nor its officers and associates assume any responsibility for the accuracy and completeness or currency of that advice and information.

i. Limits on the Advice

It is important to understand that the advice your adviser provides may be limited because:

- you have sought scaled advice e.g. only in respect of securities
- your adviser has limited authorisation e.g. is not a tax agent
- your adviser is restricted to advising on products on our approved product list
- your adviser is restricted to dealing and advising on products permitted under our licence.

ii. General Advice

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

Red Leaf Securities Pty Ltd may provide you with an execution-only service and/or may provide you with general advice in relation to the authorised financial products. Red Leaf Securities Pty Ltd arranges for you to be supplied with financial services and products issued by non-related product providers. Red Leaf Securities Pty Ltd may receive a fee or commission payment from these non-related issuers as a result if you investing in one of their products or services. Any remuneration that Red Leaf Securities Pty Ltd may derive is included in the fees and commissions you pay as outlined under the heading "Remuneration". Red Leaf Securities Pty Ltd can help you meet your financial objectives by providing a full range of financial services, including access to

company research from our experienced research analysts. You will benefit from sound advice, prudent investment management and personal service from our Advisors.

6. Services that Red Leaf Securities Provides

Red Leaf Securities Pty Ltd services include access to:

- Buying and Selling Shares
- Initial Public Offerings (IPOs)
- Managed Funds, ETF's and Model Portfolio's
- Cash and Fixed Interest Products and Services

Buying and selling shares in Australia

Our Advisors have access to sophisticated information technology and research and are informed as changes occur. With the latest computer technology, we offer clients well executed transactions, supported by an efficient settlement service.

Buying and selling shares in global markets

Through our arrangements with selected overseas brokers, you can buy and sell shares in the major stock markets of the world, including the United Kingdom, the United States of America, Europe, Asia and New Zealand. As the Australian Stock Exchange comprises only around 2% of all equities worldwide, trading on international markets can diversify your portfolio and provide you with additional investment opportunities.

Initial Public Offerings (IPOs)

Red Leaf Securities Pty Ltd staff have experience in managing many new issues in Australia. This presents our clients with valuable opportunities to participate in IPOs that may not be offered to the general public. You can let us know if you would like to be advised of IPOs as they become available.

Managed Funds, ETF's and Model Portfolio's

We can advise you on a wide range of managed funds, ETF's and model portfolio's which offer you the opportunity to obtain greater portfolio diversification than you might otherwise achieve as a retail investor.

Cash and fixed interest products and services

To optimise your cash and fixed interest investments, we can advise you on an extensive range of financial products, bank-accepted bills of exchange and company debentures, corporate debt and convertible and unsecured notes.

7. How to instruct us

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

- transactions in securities and other financial products executed through the ASX;
- settlement services for transactions executed by, or on behalf of our clients;
- sponsorship services; and
- nominee and other custody services.

In the event that you require the above services to be provided, you will also need to become a client of our preferred service provider. Red Leaf Securities Pty Ltd will arrange for its clients to be provided with the service provider's FSG and other documents which provide further information about the services provided. Please note that a PDS is not required for investments in securities. We have prepared a guide to investing securities and this is available on our website www.pulsemarkets.com.au or by contacting us directly. You should ensure that you understand the risks and procedures before investing in securities. You will receive your contract notes from the service provider. You should contact the service provider if you do not receive a contract note or if there are any discrepancies immediately. In arranging for a third party to provide these services to you, Red Leaf Securities Pty Ltd will act as your agent, not as the agent of the third party. 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); and
- electronically via direct entry into trading systems that we provide access to you.

8. Remuneration

Red Leaf Securities receives brokerage whenever shares or other securities are bought or sold. Red Leaf Securities has a two tiered pricing system.

I. Standard Settlement Clients

If your shareholdings are CHESS sponsored and held with a Pershing clearing house Holder Identification Number (HIN); and you have a Direct Debit (DD) and Direct Credit (DC) banking facility, you will be charged a minimum brokerage rate of \$85.00 plus GST per contract note.

II. Non-standard Settlement Clients

Non-standard settlement clients include:

- If your shareholdings are held by the respective Share Registries on various Security Reference Numbers (SRNs); and/or
- You pay for buy trades by cheque, BPay or Electronic Funds Transfer (excluding Direct Debit facility); and/or
- You receive a cheque for the proceeds of sell trades or request to receive proceeds by Electronic Funds Transfer (as opposed to the automatic Direct Credit facility);

You will be charged a minimum brokerage rate of \$105.00 plus GST per contract note. Otherwise brokerage is charged as a percentage of the value of the transaction. The specific brokerage rate will depend on factors such as the level and type of service provided and the size and frequency of transactions. The brokerage rate might be applicable to all transactions or to a single transaction. Brokerage rates are negotiable and should be discussed with your Adviser prior to transacting any business. Your Adviser will disclose the amount of brokerage payable in the confirmation for the transaction. In the instance of capital raising such as an Initial Public Offering (IPO) or a placement, a fee may also be paid to RLS. Fees from Third Parties will be separately disclosed to clients.

Failure to settle

On sell transactions, if your shares are not delivered prior to T+3, the ASX charges a fail fee, which is charged to your account. The settlement date is shown on the confirmation note and if, when placing your order, there is any doubt that shares will be available for settlement by T+3, please discuss this with your Adviser, or our settlements area. Fail fees range from \$110 to \$5,500 per security, per day including GST depending upon the size of the transaction.

On buy transactions, RLS reserves the right to charge late settlement fees at its sole discretion.

RLS Fail Fees

In addition to the ASX fail fees, RLS may also charge an additional fee for failed trades as follows:

Failed Buy Trades

For buy trades which have not been paid for within 3 business days, RLS reserves the right to charge \$55.00 incl. GST per failed trade in any one month plus interest at up to 15% per annum. In addition, RLS reserves the right to charge a dishonour fee of \$55.00, including GST.

Failed Sell Trades

For sell trades for which stock has not been provided within 3 business days, RLS reserves the right to charge \$55.00 including GST per failed trade in any month plus interest at up to 15% per annum, calculated on the market value of the Securities not provided.

Search fees

If you wish to sell Issuer Sponsored securities and you supply details and/or a Security Reference Number (SRN) which is incomplete, incorrect or unknown, RLS may need to apply for the correct SRN via CHES. A charge may be payable to FSB and this charge may apply each time a SRN is verified via CHES.

Advisers' Remuneration

Our Advisers are remunerated by salary and they may also receive a performance-based commission if brokerage targets are achieved but commissions are not linked to specific transactions unless otherwise disclosed to you.

9. Complaints Resolution

We take every step to ensure we provide you with quality service. The AFSL holder Red Leaf Securities Pty Ltd has an internal dispute resolution policy in place to resolve any complaints or concerns you may have about the service provided to you. These should be directed to your adviser initially (by telephone, facsimile, or letter) or by email contact@redleafsecurities.com

We will provide you with acknowledgement of written complaints within 2 business days, and seek to resolve and respond to your complaint within 30 days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons for which it is based in writing. We will endeavour to resolve your complaint quickly and fairly.

If the complaint cannot be resolved to your satisfaction within 45 days and you wish to proceed further, you may lodge a complaint as set out below:

Red Leaf Securities Pty Ltd is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

You may also contact Australian Securities and Investments Commission (ASIC) free call Infoline on 1300 300 630 to make a complaint and obtain information about your rights.

10. Compensation arrangements

The AFSL holder Red Leaf Securities Pty Ltd holds Professional Indemnity Insurance cover for the activities conducted under its AFS licence. The policy provides coverage for claims regarding professional indemnity, crime (fraud) and the conduct of representatives/employees who no longer work for us (but who did at the time of the relevant conduct). The Red Leaf Securities Pty Ltd Professional Indemnity insurance cover is subject to the policy terms and conditions; however, the cover satisfies the requirements of s. 912B of the Corporations Act.

11. Conflicts of interest

Red Leaf Securities Pty Ltd, nor any of its related bodies corporate, nor any of our authorised representatives, have any ownership links with any financial product issuer that could be expected to influence us.

Conflicts of interest may occur from time to time. You have the right to be advised of any material interest that could reasonably be expected to be capable of influencing the recommendation of a financial product to you. Accordingly, you should be aware that:

- Red Leaf Securities Pty Ltd is remunerated wholly or in part on a share of brokerage or commission basis
- if you have been referred to us by a third party, that person may receive a share of brokerage charged to you
- Red Leaf Securities Pty Ltd 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.

Should a conflict occur, you will be advised either verbally by your Client Advisor. Should you have any concerns or would like to discuss this matter further please contact us.

12. Risks

We will explain to you significant risks relating to financial products and financial services which we recommend to you. If you feel that we have not done so to your satisfaction you should ask us to further explain those risks to you.

Our advice may include financial products that trade on live and volatile markets which, like other investments such as real estate, can fall in value (resulting in a capital loss) as well as appreciate in value. The recommendations made to you are made with reference to current market conditions which may change significantly without notice. As a result the advice may not be appropriate if taken at a different point in time. If 30 days has expired since the provision of our advice, we recommend that you contact your representative to ensure that the advice is still appropriate. In general the value of financial products may be affected by the following factors. (Please note that this list is not exhaustive).

- Overall market risks - for example, movements in the share, real estate and bond markets can be caused by political, economic, taxation or legislative factors; e.g. changes in interest rates, taxation laws, superannuation laws etc.
- Domestic and International Factors - vulnerability to international events or market factors, including movements in exchange rates, changes in trade or tariff policies.
- Sector specific factors - for example, in relation to a company's securities, the demand for a company's product, commodity prices, the economic cycle of industry, changes in consumer demands and changes in technology.
- Financial product specific factors - for example, in relation to a company's securities, these may include the company's directors, the strength of management, the significance of any movement in key personnel, profit history, tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill results and competition. Also, whether the company already has a profitable business, is exploring for recoverable resources, or is developing a new product.

These factors and more are taken into consideration when your Representative is making investment decisions on your behalf.

13. Research

At Red Leaf Securities Pty Ltd we are proud of the depth of research we can offer. However, even the very best research does not guarantee the securities will perform according to the assessment of the analyst. The results of any research are the opinions of specialist analysts. These opinions can never be guaranteed, are only valid for a limited time, and are often subject to market movements.

Our research reports do not take into account your investment objectives, financial situation or needs and should be regarded as general advice only. For short term investors, a research report containing a 'buy' classification could turn into a 'sell' classification where the market price of a security appreciates by even a small amount. However, for the prospective longer term investor, this market movement may not be significant, although a larger movement might be. The mere fact that a security is categorised by an analyst as a 'buy' does not necessarily mean that the security is a suitable investment.

14. Record keeping and Privacy

We will maintain complete records of the services we provide to you in accordance with Australian Laws. As a financial services provider, we have an obligation under the Anti-Money Laundering and Counter Terrorism Financing Act to verify your identity, amongst other things. 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 will also retain copies of this information.

We also keep a record of personal information you provide to us. Your privacy is important to us and we are committed to compliance with the Privacy Act and Australian Privacy Principles. We maintain a record of your personal profile which includes your personal.

We may disclose your personal information to external parties, such as our financial services providers, for the purposes of arranging your investments or transactions. Such external parties are required and committed to protecting your privacy.

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.

15. Distribution

The distribution of this Financial Services Guide is by Red Leaf Securities Pty Ltd.