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Genuity

# Financial Services Guide

**Canaccord Genuity  
(Australia) Limited**

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## Purpose of this Financial Services Guide ('FSG')

This FSG has been issued by Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) ("Canaccord Genuity", "We", "Us"). This FSG provides important information for retail investors to help you decide whether to use our services. It contains important information about:

- Who we are
- The financial services we offer
- How we and our related companies are remunerated for our services
- Any potential conflict of interest we may have
- Our internal and external dispute resolution procedures
- Our compensation arrangements, and
- Our Privacy Policy Statement.

This FSG contains general information, please contact us for more specific information if you require it.

### Who is Canaccord Genuity?

Canaccord Genuity is a wholly owned subsidiary of Canaccord Financial Group (Australia) Pty Limited, licenced under the Corporations Act 2001 (Cth) ('Corporations Act'), and holds Australian Financial Services Licence number 234666 ('AFSL'), which authorises it to provide advice on, and deal in, a range of financial products detailed within.

Canaccord Genuity is a member of the Canaccord Genuity global group of companies led by Canaccord Genuity Group Inc, a full services business, listed on the Toronto Stock Exchange. The Group has offices across 7 countries worldwide.

For orders from both retail and wholesale clients, Canaccord Genuity will direct the orders to Canaccord Genuity Financial Limited ABN 69 008 896 311 (AFSL 239 052) who is a market participant of the ASX Limited ('ASX'), Chi-X Australia Pty Limited ('Chi-X'), the National Stock Exchange of Australia Ltd ('NSX'), a Broker Participant in the CHESS system operated by ASX Settlement (a group company of the ASX), and a principal member of the Stockbrokers and Financial Advisers Association of Australia.

## Not Independent

### Disclosure of Lack of Independence required under 942B(2)(fa) of the Corporations Act 2001 (Cth)

Canaccord Genuity (Australia) Limited and its representatives are not independent, impartial or unbiased (which are restricted words or expressions under the Corporations Act) in relation to the provision of personal advice to retail clients because Canaccord Genuity (Australia) Limited, its representatives and its associates and affiliates may receive monetary benefits in connection with that advice.

For further information regarding how Canaccord Genuity (Australia) Limited is remunerated, please refer to the section titled Remuneration and providing instructions on page 4 of this FSG.

Please note that notwithstanding the statement above, if you are a retail client and we give you personal advice, we have a duty to act in your best interests and prioritise your interests, and are obliged to provide you with appropriate advice.

### What financial services does Canaccord Genuity offer?

Canaccord Genuity is authorised to provide advice (both general and personal) on the following financial products to retail and wholesale clients:

- Securities;
- Managed investment schemes;
- Basic deposit products;
- Non-basic deposit products;
- Derivatives;
- Government debentures, stocks, and bonds;
- Investment life insurance products;
- Life risk insurance products;
- Investor directed portfolio services;
- Retirement savings accounts; and
- Superannuation.

We are authorised to deal in the financial products listed above by arranging for their acquisition, disposal or variation and issue securities, derivatives and interests in managed investment schemes. We are also authorised to issue securities, interests in



managed investment schemes and derivatives, and underwrite the issue of securities and interests in managed investment schemes. Underwriting services are not offered to retail clients.

We have authorised the production of this FSG and are responsible for the financial services provided to you by our Advisers, who are employed by us.

### **Clearing and Settlement**

Canaccord Genuity Financial Limited use FinClear Services Pty Ltd as our Clearing Participant. FinClear Services Pty Ltd, is licensed under the Australian Financial Services License (AFSL) no 338 264 to provide financial services and is a trading participant of ASX, a Participant of Chi-X, a general Participant of ASX Clear Pty Ltd ABN 48 001 314 503 (ASX Clear) and a Settlement Participant of ASX Settlement Pty Ltd ABN 49 008 504 532 (ASX Settlement).

### **Who do we work with to provide financial services to you?**

We work together with other service providers to offer financial services to you. These may include your accountant, lawyer and/or financial planner, as well as our third-party providers.

### **Information you must provide to obtain personal advice**

If you seek any personal advice from us, your Adviser must act in your best interest and consider your personal objectives, current financial situation and investment needs. You will be requested to provide these details in your client profile. We will retain a copy of this profile. You should inform your Adviser of any changes to this information. All information retained will be kept strictly confidential subject to our Privacy Policy.

If you choose not to provide some or all of this information, any advice you receive may be compromised in terms of the appropriateness of the recommendation, and you will need to consider whether or not the recommendation is appropriate for your particular investment needs, objectives and financial circumstances. You should consider these warnings carefully. In addition, your ability to make a claim against Canaccord Genuity or your Adviser may also be limited. This process does not apply in relation to 'general advice', as may be contained in research reports, newsletters, or provided verbally,

which is prepared without consideration of your objectives, financial situation and needs.

### **Statement of Advice and Record of Advice**

As a retail client, when we provide you with personal advice we will also provide our Statement of Advice which records the advice we have given you, its basis and scope, any commissions, fees and any benefits, or associations we may have, relevant to the advice provided.

Unless there has been a material change in your personal circumstance you will not receive a further Statement of Advice. Any advice provided to you will be recorded by your Adviser as a Record of Advice (RoA). 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.

### **Remuneration and providing instructions**

How are Canaccord Genuity and others remunerated for the financial services we offer?

#### **Investment security transactions traded on ASX, Chi-X & NSX**

Canaccord Genuity will charge you a fee for facilitating the purchase and/or sale of investment securities traded on these markets. This may be a transaction or asset based fee, or a combination of both.

#### **Asset based fee**

Asset based fees vary depending on the value of your portfolio and the services Canaccord Genuity provides. Fees are calculated on the net value of your portfolio excluding any geared amounts, unless you borrowed funds and used these to acquire financial products before 1 July 2013. Your Adviser will inform you of the details and amount of your asset based fee prior to entering into any transactions with Canaccord Genuity.

#### **Transaction based fee**

Under this arrangement, you will be charged a fee for each "buy" and "sell" transaction we arrange on your behalf. In most cases, the amount will be based on the value of the transaction. This fee may change from time to time, and you will be advised of any such

changes before they take effect. Following the execution of a transaction, you will be sent a trade confirmation outlining the total fee charged by Canaccord Genuity as well as any applicable government charges. We have disclosed our maximum rates below. The transaction based fee payable will be arranged between you and your Adviser. These rates are negotiable depending on a number of factors including the amount of your investment spending, the frequency of trading, and the level of service required. These rates and fees are exclusive of GST.

If you fail to settle any trades, we may also charge you interest on the amount outstanding, as set out in our Terms & Conditions.

### Standard charges for security transactions

For example, for a transaction valued at \$10,000, the maximum charge would be a transaction fee of \$200 plus GST.

Value of Transaction	Transaction fee (ex. GST)
Up to \$5,000	2.5%, \$90 minimum
Between \$5,001 & \$15,000	2%
Between \$15,001 & \$50,000	1.5%
Over \$50,000	1%

All security trading must be settled within T+2 (trade date plus two business days). The following fees may be imposed against those trades that fail to settle on the designated date (GST is payable on all fees):

**Late Settlements on Buy Transactions** – an initial fail fee of \$50 and a dishonour fee of \$50. Canaccord Genuity may charge a default fee equal to 12.5% p.a. of the outstanding amount calculated daily, subject to a minimum of \$50.

**Late Settlements on Sell Transactions** – an initial fail fee of \$50, a borrow fee of \$100 per borrow. In addition, the ASX imposes fail fees which may be passed on to you. ASX fail fees are currently charged at \$100 per day for trades valued less than \$100,000, or 0.10% of the value of the outstanding amount up to \$5,000 per day.

Settlement deadlines are clearly specified on all transaction confirmations. Canaccord Genuity may also charge fees for specific administrative services such as international bank transfers, cheque cancellations, replacement cheques, registry

transfers and re-bookings. For further information on these fees please contact your Canaccord Genuity Adviser.

**Off Market Transfers** – we charge the following fees exclusive of GST for transfers:

- HIN to HIN \$20 per transfer
- Issuer to HIN \$30 per transfer
- HIN to issuer \$40 per transfer
- Deceased Estate Transfers \$50 per transfer.

### Research, Placement and Underwriting of securities and managed investment products by Canaccord Genuity

We conduct detailed research and issue research reports on securities, including those which our Advisers may advise you on. From time to time we may arrange for the placement of securities on behalf of its clients, and will receive fees for our advisory, management and distribution role. Canaccord Genuity may also underwrite an issue of securities or interests in managed investment schemes from time to time and will receive an underwriting fee in relation to such transactions. We also act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may hold long or short positions in any securities which our Advisers may advise you on.

### Remuneration to and from other entities

**New Clients:** As a guide, if you have become a client of Canaccord Genuity from 1 July 2013 onwards, Canaccord Genuity may not receive commission payments in relation to financial advice provided to you, except in certain circumstances permitted by law, including:

**Life Insurance Products:** Canaccord Genuity may receive commission in relation to products which are not related to a group life risk policy inside superannuation fund whether for a default or other type of superannuation fund, or an individual life insurance policy for the benefit of a member of a default fund.

In such circumstances, commissions will generally fall within the range set out in the table below and a Statement of Advice will be provided where applicable.

**Existing Client:** If you were a client of Canaccord Genuity before 1 July 2013, and your engagement

arrangement included any commissions payable to Canaccord Genuity, Canaccord Genuity will continue to receive these commissions from financial product providers. In such circumstances, commissions will generally fall within the range set out in the table below.

Product	Commission / Payment we may receive (ex. GST)
Managed Funds	- Upfront commission can range from 0 to 5% - Ongoing commission can range from 0% p.a. to 5% p.a.
Cash Management Trusts /Accounts	Ongoing commission can range from approximately 0% p.a. to 0.65% p.a.
Margin Lenders	Ongoing commission can range from 0% p.a. to 0.75% p.a. of the margin lending facility
Life Insurance	- Life Insurance first year commission (upfront) range between 0% and 60% - Renewal commissions on life products range between 0% and 30%

For further details about any commissions which Canaccord Genuity may receive in relation to your investments please contact your Adviser.

We will disclose the payment amount due by you or any payment which Canaccord Genuity is legally entitled to receive, prior to, or at the time we offer to provide you with financial services to which these fees relate. Where applicable these fees will also be disclosed in the relevant Product Disclosure Statement and/or a Statement of Advice.

Where it is permitted by law, your Adviser may receive a proportion of the fees received by Canaccord Genuity from the financial services provided to you. The amount of the fees will depend on the services provided and will be disclosed to you prior to or at the time the services are provided, in a Statement of Advice or other documentation.

Your Adviser may also receive alternative forms of remunerations such as attendance at conferences wholly or partly subsidised by product providers, assistance with marketing expenses, and other nonmonetary benefits such as gift vouchers or complimentary tickets to events. Canaccord Genuity keeps a register detailing certain nonmonetary benefits that the Adviser receives.

Our Advisers, and the employees and directors of related companies, may be eligible for bonuses by meeting their behavioural and financial performance

targets, and may also be eligible to receive shares in various companies in the global Canaccord Genuity Group. We may receive fees, normally determined as a percentage of revenue, from external parties where we have referred you to them for expert advice (e.g. insurance or mortgage brokers) where permitted by law.

We may also receive payments or benefits from financial product issuers to assist in training of Advisers or marketing of their product. We may be paid volume bonuses and/or other incentives directly from financial product issuers where this is permitted by law. This amount or percentage will vary from issuer to issuer.

A referral fee may be paid to a third party such as a financial planner where this is permitted by law. Any third-party payments will depend on the particular circumstances and the particular arrangements we have in place with the referrer. We will disclose any referral fees and referral arrangements in full to you at the time of transacting business.

### How you may give instructions

You may specify how you would like to give instructions to us (for example: by telephone, fax, email or through a third party). If you wish to give instructions via a third party, you must complete the third-party Authority contained in the Client Services Agreement form. You can obtain this form from your Adviser.

### Privacy Policy

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

Our Privacy Policy details how we comply with the requirements of the Privacy Act 1988 (Cth) in the handling of your personal information. A copy of the Policy can be obtained at our website [www.canaccordgenuity.com](http://www.canaccordgenuity.com) or upon request from your Adviser.

## Dispute resolution

### Our dispute resolution procedures

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, Canaccord Genuity (Australia) Limited, GPO Box W2024, Perth, Western Australia 6846.
2. If the complaint has not been resolved to your satisfaction, you may lodge a complaint with Australian Financial Complaints Authority (AFCA).

AFCA contact details are:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Telephone: 1800 931 678 (free call)

In writing to:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

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.

### Our compensation arrangements

We are required by the Corporations Act and ASIC Market Integrity Rules to have adequate compensation arrangements in place. Canaccord Genuity has a comprehensive Professional Indemnity Insurance policy in place which satisfies the compensation requirements under legislative requirements and that is appropriate for our business. Our Professional Indemnity Insurance policy covers claims in relation to our business and our representatives.