



# CYGNETCAPITAL

## Cygnet Capital Pty Ltd

### Financial Services Guide (FSG)

The provider of services described in this Financial services guide is Cygnet Capital Pty Ltd (ABN 88 103 488 606) as a Wholly owned subsidiary of Cygnet Securities Australia Pty Ltd (ABN 85 082 117 931) AFSL Number: 241095

#### Effective as of 1st April 2021

Our Details are set out below. 'We', 'us', 'our' or 'Cygnet Capital' in this Financial Services Guide ('FSG') refers to Cygnet Capital Pty Ltd.

<b>Cygnet Capital Pty Ltd</b>	
<b>Registered and Business Address</b>	<b>21 Beatty Avenue Armadale VIC 3143</b>
<b>Postal Address</b>	<b>21 Beatty Avenue Armadale VIC 3143</b>
<b>ABN</b>	<b>88 103 488 606</b>
<b>AFSL</b>	<b>241 095</b>
<b>Phone</b>	<b>03 9059 8183</b>
<b>Fax</b>	<b>None</b>
<b>Email</b>	<b>info@cygnetcapital.com.au</b>
<b>Web</b>	<b><a href="http://www.cygnetcapital.com.au">www.cygnetcapital.com.au</a></b>

## **About this Financial Services Guide**

This Financial Services Guide (FSG) is an important document that 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 FSG, how we and other relevant persons will be paid in relation to the services, and information on our complaints procedures.

## **Documents you may receive**

Our policy is to provide general financial advice to clients who are not Institutional, Wholesale or Sophisticated investors (s708). However, if you are not in one of those categories and we choose to provide personal financial advice, you will receive a Statement of Advice ('SOA'). For ongoing personal financial advice we may maintain a Record of Advice ('ROA'), and if a specific financial product (other than securities such as listed shares) is recommended a Product Disclosure Statement ('PDS') or Prospectus containing information on the product will be provided to allow you to make an informed decision on whether to acquire the product. The PDS contains information about the relevant terms, significant benefits and risks, and the fees and costs associated with the provision of that financial product.

## **Statement of Advice**

If you are a retail client as defined under the *Corporations Act 2001* (Cth) (Corporation Act) and we provide personal advice we are required to provide you with a SOA the first time this advice is provided. The SOA will contain:

- our understanding of your relevant personal circumstances and your investment objectives;
- any strategies we recommend;
- the basis of those recommendations;
- the financial services and/or products we recommended, and the reason why;
- our fees and/or commissions; and
- disclosure of any associations we have with financial product issuers or other parties which may have influenced our advice.

An ROA may be used to record our advice to you where we have provided you with subsequent personal advice and your personal circumstances have not changed. You may request a copy of the ROA at any time, for a period of up to seven (7) years from the date the advice was given to you.

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. A new SOA will only be provided to you if you advise us that your circumstances have changed materially.

## **Disclosure Document**

If we recommend a particular financial product to you, you may also receive a 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**

We have a duty to take reasonable steps when handling and executing an order in equity market products, in order to attempt to achieve the best outcome for our clients. Cygnet Capital 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. This policy is available on request by obtaining a complimentary copy from your Adviser.

## **What Financial Services can we offer you?**

Our Australian Financial Services Licence (AFSL 241 095) 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. Deposit and payment products, including basic deposit products and other deposit products;
8. Debentures, stocks or bonds issued or proposed to be issued by a government;
9. Operate custodial or depository services other than investor directed portfolio services.

Your Adviser has been authorised to provide advice covering a specific range of products and services- 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 Cygnet Capital 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.

Cygnet Capital may authorise a company or an individual to act as its Authorised Representative. Authorised Representatives may be individuals or companies and Cygnet Capital is responsible for their conduct when they act on behalf of Cygnet Capital. Each Authorised Representative has their own authorisation, specialisation and area of expertise.

You should review the FSG 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 or email. However, in some instances we reserve the right not to accept instructions verbally without prior notice, or to require secondary confirmation- in those instances, we will require your instructions to be in writing.

If you choose to give us instructions by email, Cygnet Capital accepts no liability for any failure by Cygnet Capital 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.

## **Anti-Money Laundering Compliance**

Before we provide a service to you 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 you will need to provide appropriate identification, sign a Client Agreement with Cygnet Capital that includes declarations relating to international taxation obligations, and comply with the Terms and Conditions of dealing with us.

## **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. It is important to note that while Cygnet Capital can provide advice for a wide range of risk attitudes and time horizons, historically in house products offered have fit a high risk profile, and this is where the focus of future offerings is expected to continue.

Please note that your Adviser is not obligated to contact you to provide advice or make recommendations. Opening an account with Cygnet Capital, or acquiring any type of financial product does not imply that Cygnet Capital, 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. Cygnet Capital does not accept any liability for advice given that is based on incomplete or inaccurate information about your personal circumstances.

## **Taxation issues**

We are not registered tax agents, and may only provide general perspectives on tax issues. You must use your own taxation advisor to examine issues relating to current or potential taxation obligations and your particular circumstances.

## **Association with related product issuer**

Cygnet Capital may refer you to, or provide you with, financial services and products from both related and un-related product issuers.

## **Costs**

Depending on the service offered, you might pay fees or brokerage – or a combination of both. The applicable charges will be disclosed in the SOA we provide to you, or if no such record is required, we will verbally disclose the applicable charges.

To the extent permitted by law, we may also charge you additional fees, including but not limited to: transaction fees, exchange and clearing fees, upfront fees, ongoing adviser service fees,

management fees (which includes ongoing and, if applicable, any borrowing costs), excess holding fees and settlement fees.

We may charge you hourly based fees in relation to the preparation of advice or for the completion of additional work which is outside the ordinary ongoing services. Such additional work/services and fees will be discussed with you and agreed prior to being undertaken.

In addition, where you engage us to provide strategic advice, we may charge you an hourly rate in addition to the fees below. These fees are based on the time required and complexity of your matter. All fees will be agreed with you prior to the provision of services.

*All fees disclosed in this document are in Australian dollars inclusive of GST, unless otherwise stated.*

## **Brokerage**

Brokerage is charged as a percentage of the total consideration when you buy or sell 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. Further details of our brokerage fees are set out in our account opening material, terms and conditions and the product disclosure statement. Your Adviser will negotiate your rate with you, taking these into account.

	<b>Minimum charge</b>	<b>Maximum charge</b>
Equities	\$65	3% of the transaction value
Exchange traded options	\$65	3% of the transaction value
<b>International equities</b>		
Brokerage	\$100	3% of the transaction value

## **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, this is outside the scope of financial advice we are able to provide. You should consult a qualified financial planner able to provide advice in these areas.

## **Administration Fees**

### **Alert service**

Our Clearing agent CMC Markets operates an alert service where we send you alerts by email, short message service (SMS), via the Messages area of our website.

<b>Type of Alert</b>	<b>Charge Per Alert Inc GST</b>
Email	\$0.11
SMS	\$0.22
Messages on website	\$0.00

## Miscellaneous Fees and Charges

Service	Fees and Charges (Inc GST)
Cheque Dishonour	\$30.00
Bank Cheque	\$20.00
Foreign currency bank draft	\$35.00
Cheque stop payment	\$20.00
Cheque drawing fee	\$13.20
Customer trace fee	\$25.00
Any other form of bank statement	\$11.00
Telegraphic transfers (international)	\$35.00
RTGS* (domestic)	\$35.00
Deceased estates share transfer	\$55 per stock
Change of trustee off market	\$110 for portfolio
Transfers	\$55.00
SRN requests to share registries	\$22.00
Fail fee	\$55+ ASX Fee per day
Late settlement fee	\$55 + 0.1% of value of trade fee per failed day
Postage of confirmation contract note	\$2.42 per confirmation contract note
Non-Australian Resident Issuer to CHESS Conversion	\$20.00
CHESS Statement Reprints	\$16.50
IPO booking fee	\$55 per HIN
Rebooking fee	\$27.50
BPAY® for corporate actions	\$10
Direct debit dishonour fee	\$6.60
Off Market Transfers	\$55.00

## Remuneration, commission and referrals

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% to 7% 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 1.5% to 7% 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 Cygnet Capital.

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

### **Your Adviser's remuneration**

Your Adviser will receive between 30% and 55% of the brokerage and, where permitted by law, fees charged or commissions on investments placed by Cygnet Capital 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 a discretionary bonus based on the revenue that they earn. The basis of your Adviser's remuneration will be disclosed in your SOA.

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 Advisors may be remunerated entirely by salaries, entirely by commissions, or by a combination of both and/or and fees as set out above. In addition, all Advisors may become entitled to bonuses and/or dividends depending on the profitability of Cygnet Capital.

### **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 Cygnet Capital.

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 Cygnet Capital and is not an additional charge.

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 FSG or SOA of the third party or any applicable agreement that contains your consent to such payments for more detailed information.

### **Clearing and Settlement**

CMC Markets Stockbroking Limited is licensed under the Corporations Act Australian Financial Services License (AFSL) no 246 381 to provide financial services and is a market participant of ASX, a market Participant of Chi-X, a market participant of the Sydney Stock Exchange, a clearing 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).

CMC Markets Stockbroking Limited is a member of the CMC Markets group of companies ('CMC Markets Group') which includes CMC Markets Asia Pacific Pty Ltd (ABN 11 100 058 213, AFSL 238054) ('CMC Markets') and CMC Markets Pty Ltd (ABN 75 100 058 106, AFSL 279437).

Cygnet Capital in deciding to outsource the clearing and settlement functions, determined that CMC

Markets Stockbroking Limited would best suit Cygnet Capital's requirements.

### **Confirmations**

After processing your order, Cygnet Capital (through CMC Markets Stockbroking Limited), will issue you with a confirmation detailing the transaction undertaken to buy or sell financial products. Please read this confirmation carefully and contact Cygnet Capital 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) if required, from a range of potential providers. A CMA can be used to hold the funds with which you plan to buy financial products and settle transactions. Alternatively, you may authorise Cygnet Capital's Clearing Participant to directly debit and credit your bank account for settlement purposes (Direct Debit Authority). You can also settle your transactions with Cygnet Capital's Clearing Participant using BPAY.

### **International Transactions & Custody Services**

Cygnet Capital will execute and arrange facilities for the execution of trades in eligible international securities and associated settlement and custody services. Cygnet Capital's Clearing Participant, CMC Markets Limited, will be responsible for the associated settlement and custody services.

### **Clearing Participant Documents**

Cygnet Capital clears and settles transactions through CMC Markets Limited. CMC Markets Limited carries the clearing and settlement obligations in respect of any transactions executed through Cygnet Capital. When you open a Client Account at Cygnet Capital, you will receive CMC Markets Limited's FSG and any other required documentation.

### **Monitoring**

Cygnet Capital performs monitoring of internal controls, and outsourced functions in line with regulatory requirements.

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.

### **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 at [www.cygnetcapital.com.au](http://www.cygnetcapital.com.au) or upon request from your Adviser.



## **Insurance arrangements**

Cygnnet Capital 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, Cygnnet Capital Pty Ltd, 21 Beatty Avenue, Armadale, VIC 3143
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 info line 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.

**Cygnnet Capital ABN 88 103 488 606 as a wholly owned subsidiary of Cygnnet Securities  
Australia ABN 85 082 117 931 AFSL No. 241 095**

**Effective Date: 1<sup>st</sup> April 2021**