



Financial Services Guide (FSG)

C2 Investments Pty Ltd (ABN 19622251576)

Version 1, 16 October 2017

This Financial Services Guide (FSG), dated 16 October 2017 is issued by C2 Investments Pty Ltd (ABN 19622251576) (“C2”), Corporate Authorised Representative of Samuel Allgate Investments Pty Ltd (ABN 79 155 226 074, AFSL 420170) (“SAI”). The purpose of this Financial Services Guide (“FSG”) is to assist you in deciding whether to use any of the financial services we offer. After reading this FSG, you will know:

- Who we are and how to contact us
- The specific services offered by C2 and its Authorised Representatives (“Advisers”) under SAI’s Australian Financial Services Licence No. 420170 (“AFSL”)
- How your relationship with your adviser will work
- How we (and any other relevant persons) are remunerated
- How to buy or sell shares, other listed securities and financial products using C2 and some of the risks involved in buying or selling financial products
- The commissions and other benefits that may be paid to C2, your Adviser and other relevant persons
- Whether any relevant associations or relationships exist that may influence our advice
- How we maintain your personal information
- How to access our internal and external complaints handling arrangements

About C2 Investments Pty Ltd

C2 is an Australian Financial Services Authorised Representative No. 001259012 of Samuel Allgate Investments Pty Ltd, Australian Financial Services Licensee No. 420170. C2 is located at Level 4, 220 George St, SYDNEY NSW 2000. SAI appoints Authorised Representatives to act on its behalf for the provision of authorised financial services. Your advisor is an Authorised Representative of SAI. SAI is therefore responsible for the financial services provided by it and its authorised representatives. SAI has authorised your advisor to distribute this FSG.

Retail Clients who commence to use C2’s services will be provided General Advice only. When your Advisor discusses certain types of financial products, there may be a Product Disclosure Statement (“PDS”) associated with the investment and your Adviser will provide you a copy of the PDS which has been issued by or on behalf of the product issuer. The main purpose of a PDS is to help you make an informed choice about a financial product. A PDS will contain general information about the product including the terms and conditions for the product, any significant benefits and risks associated with holding the product and information about the cost of the product. You should read this information to enable you to make an informed decision prior to purchasing the recommended financial product.

Relationships and associations

SAI relationships and associations SAI has arrangements with:

- D2MX Pty Ltd (ACN 113 959 596) (D2MX) and association to Pershing Securities Australia Pty Ltd (ABN 60 136 184 962) to settle and clear all ASX transactions executed by D2MX (“C2’s Clearing Participant”)
- Sequoia Asset Management Pty Ltd (ACN 135 907 550)

What financial services are we authorised to provide and how will these be provided to you? Who will give you advice and what advice can be provided?

C2’s advisors are approved corporate authorised representatives of C2 Investment Pty Ltd. C2’s advisors are responsible for the advice they provide you. C2’s Advisors provide general advice. If you receive general advice this means that any advice given by your C2 Advisor will not take into account your personal objectives, financial situation or needs. You will need to decide if a product or service is right for you. C2 can only provide advice on financial products within these classes where they appear on the SAI “Approved Product List.” The Approved Product List includes a large of investment and insurance products for which the appropriate research and analysis has been undertaken. As an Authorised Representative of SAI, C2 cannot advise you on, or influence you in favour of, a financial product which:

- is not on the approved product list; or
- any arrangement where your advisor can make changes to your portfolio before obtaining your consent unless they are specifically authorised to; or
- is a product they are not authorised to provide advice on.

Your Advisor will tell you the class of financial products they can advise on. Alternatively, you can find details in the Australian Securities and Investment Commissions website at www.asic.gov.au

Trading in Domestic Equities

C2 specialises in best execution when buying and selling shares in listed companies on local exchanges such as the ASX. C2’s advisors are equipped with leading infrastructure and resources to deliver upon those services.

Cash, Bonds and Fixed Interest Products

C2s relationships with many of Australia’s leading banks, enables clients with low risk appetites to have access to cash management accounts with the bank/s of their choosing, as well as access to term deposits, bonds, fixed interest products with the most competitive of returns and the highest level of account service. The majority of cash and fixed interest products are deemed to have lower risks associated to them and greater security, although there are still risks involved including but not limited to the risk to your capital from unfavourable movements in interest rates and default by the issuer.

Managed Investment Schemes

C2 provides access to a range of managed funds managed by Australia’s best providers. Investing in managed funds allow you to pool your money with other investors, diversify your portfolio and access a wider range of investment opportunities. Such wider investment opportunities include access to international markets, hedge funds and infrastructure funds. Funds are managed by investment professionals who have specialist experience and expertise in this area. In addition, some managed funds can be traded on the ASX (Exchange Traded Funds). C2 Advisers can assist you in identifying which managed fund is suitable for your individual circumstances and investment objectives.



Superannuation Funds and Self-Managed Superannuation funds

C2's superannuation accredited Advisers are skilled at providing financial product advice for self-managed superannuation funds. In order to make certain types of investments, such funds may be required to have in place documentation, such as a formal investment strategy. It is the responsibility of the trustees of the fund to ensure that any such documentation is in place and that any investment recommendation adopted by the trustees complies with those documents.

Access to Capital Raisings

C2 can provide access to opportunities such as Initial Public Offerings and Equity Raisings. When an opportunity arises, C2 will present the opportunity to you and our clients. If you decide the opportunity is right for you, your advisor will add your bid to the C2 book build and bulk bid on all our clients' behalf. If we receive an allocation for the opportunity from the provider it will be split accordingly amongst our clients on a first come first serve basis. The details of any fee will be disclosed to you in the documents relating to the issuer or by your advisor. C2 may receive a handling fee or underwriting fee from the issuer. Generally, clients are not charged brokerage on applications for shares in floats, new issues and placements. Not all offers will be suitable for all clients and some restrictions may apply.

Research

Your Adviser can provide you with access to research from the publications and firms that we have relationships with. As research is subject to change, so does C2 relationships with publications and firms. This will be disclosed to clients. You should bear in mind that these publications are prepared for multiple distributions and contain information and opinions of a general nature. Recommended investments may not necessarily be suitable for you and you should view any recommendation in light of your personal circumstances. You should always consult your Adviser before acting on a recommendation in a research publication. Please note that there is no obligation on an Adviser to provide you with research, to consider whether a particular publication should be sent to you or to make contact with you to provide a recommendation. Further, not all research may be appropriate for you, given your personal circumstances.

Documents you may receive from us

In addition to this FSG, you may receive from us:

- a Product Disclosure Statement (PDS); and/or
- Clearing Participant Documents
- other disclosure documents (where relevant)

Product Disclosure Statement (PDS)

A PDS is a type of offer document, which provides information about a product, for example, its features, benefits, fees and associated risks, to enable you to make an informed investment decision. Generally, a PDS must be given to you in connection with any offer or recommendation to invest in:

- Managed investments;
- Superannuation products;
- Retirement savings accounts;
- Deposit products;



Clearing Participant Documents

C2 clears and settles transactions through C2's Clearing Participant, D2MX Pty Ltd (ACN 113 959 596) (D2MX) and association to Pershing Securities Australia Pty Ltd (ABN 60 136 184 962) to settle and clear all ASX transactions executed by D2MX ("C2's Clearing Participant"). C2's Clearing Participant carries the clearing and settlement obligations in respect of any transactions executed by C2 through D2MX. When you open a Client Account at with C2 at D2MX, you will receive C2's Clearing Participant's Financial Services Guide and any other required documentation.

Other Disclosure Documents

A prospectus, PDS or other offer document may be issued for some financial products, for example a new listing of shares or debentures.

General disclosure

C2, its authorised representatives, its associates and their respective officers and employees may have a pecuniary or other interest in financial products which you purchase or sell and may earn fees from dealing in financial products you purchase or sell as outlined in this FSG or as advised to you from time to time. Placing and processing your order Telephone is the usual method of instructing C2 although instructions can also be given in person or by mail, facsimile or email. Instructions by email will only be effected once C2 has acknowledged receipt of those instructions in writing or the order is placed. Similarly, instructions for the acquisition or disposal of other financial products may be made in writing or electronically provided such instructions are acknowledged in writing. All instructions to buy or sell shares are automatically accepted on a 'good till cancelled' basis unless you instruct otherwise. All instructions to buy or sell derivatives are accepted on a 'good for day only' basis. C2 via D2MX will process your order(s) in accordance with the ASIC ASX Market Integrity Rules ("Market Rules") and any other relevant rules of ASIC, ASX, ASX Clear, ASX Settlement or any other relevant regulatory authority or relevant exchange. Most orders are processed shortly after receipt, however there is no guarantee that your order will be processed within any given time period. The time taken to process your order will depend upon a number of factors, including your price instructions, the state of the market and the number of securities to be traded. Your order will be processed in accordance with D2MX's Best Execution Policy <https://www.d2mx.com.au/wp-content/uploads/sites/8/2016/06/D2MX-Best-execution-policy-V2.pdf>

C2 will not act on a discretionary basis on your behalf (except with regard to price and timing of execution of an order). Once your order is processed, C2 (through its Clearing Participant), will issue you with a confirmation detailing the transaction undertaken to buy or sell financial products. Please read this confirmation carefully.

Settling your Buy transactions

You may authorise C2's Clearing Participant, D2MX via Pershing Securities Australia Pty Limited to directly debit and credit your nominated bank account for settlement purposes. Alternatively, 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 shares and settle securities transactions There are several advantages of a CMA or a Direct Debit/Credit Facility ("DD/CF") including:

- CMA or DD/CF can be used for the timely settlement of purchases. This makes the T+3, T+2 or T+1 settlement requirements far easier to meet and less risk of defaulting.
- Your CMA or DD/CF is credited or debited (as the case may be) after any transaction on the second or third business day for shares



- you will earn interest on the funds you have set aside in the CMA (subject to certain minimum deposits) and the normal interest rate you receive from your bank account using a DD/CF to your bank account.
- Funds you realise from selling shares or derivatives earn interest as soon as settlement is completed and your CMA enables you to manage your transactions and settlements easily.

Settling your Sell Transactions

Any sell transactions of a parcel shares, which are broker sponsored by C2's clearing participant will settle automatically. Where you sell shares through C2's clearing participant, which are not broker sponsored, you will need to provide C2 with the relevant security reference number ("SRN"). If you can't locate your SRN, contact your advisor and client services will look after you. (Fee maybe included)

Cancellation of trades by an exchange or regulatory authority

In certain circumstances, the rules or procedures of relevant regulatory authorities or exchanges allow such regulatory authority or exchange to take any action they consider appropriate to deal with erroneous trades, including cancelling or amending trades. C2 is entitled to cancel or amend a trade without further reference to you where such regulatory authority or exchange has recommended or required it, or where it is permitted under the rules of the relevant regulatory authority or exchange.

Investment Risks

Shares and any other investments can rise or fall in value. The measure of this change in value is often referred to as volatility. The more volatile the asset, the greater the likelihood of significant gains or losses. Any security may incur daily price changes, as new information becomes available to investors. The market is constantly evaluating the strengths and weaknesses of each security in relation to various risk factors. The following list sets out some of the possible risks associated with investing in listed securities:

- Overall Market Factors – the risk of loss by reason of movements in the share market generally caused by political, economic, taxation or legislative factors.
- International Factors – the vulnerability of a company to international events or market factors, such as movements in exchange rates, changes in trade or tariff policies and changes in other stock or bond markets.
- Sector Specific Factors – these may include demand for the type of product the company produces, commodity prices, the economic cycle of industry, changes in consumer demands, lifestyle changes and changes in technology.
- Stock Specific Factors – these would include amongst many other matters, the strength of the company's management and board, the company's profit history, tangible asset base, debt level and fixed cost structure, litigation, profits or losses on particular contracts, drill or exploration results and competition from within the sector.
- Cash and Fixed Interest Products – these products carry different risks. Primarily the holder risks their capital if the issuer defaults or files for bankruptcy

Fees and Benefits

C2 may charge you brokerage, commission or a fee depending upon the services that are provided and will be negotiated with you from time to time. C2 may also pay or receive other fees in relation to services supplied to you, but which are not payable by you. All fees are subject to change. All fees are inclusive of GST.



Fees payable by you

Type of Fee or Cost	How & When is it paid	Amount
Brokerage	We may charge you brokerage when we buy or sell financial products for you. Brokerage and government charges are deducted from the proceeds of a sale or added to the purchase price of an order we receive from you. Brokerage is settled on T+2 (business days after the trade date) for share transactions.	Brokerage is charged as a percentage value of the trade. The rate of brokerage is usually between 1% and 2% with all transactions subject to a minimum charge of \$85 (exc GST). For example, if you sell \$20,000 worth of shares at 1.5% brokerage, you would be charged brokerage of \$300.00 (exc GST). Our brokerage rates depend on the type and level of service, the size of the transaction and the frequency of these transactions. Please also note that rates may be negotiated between you and your adviser, and fees may be subject to change.
Portfolio Service Fee	Monthly in arrears	A portfolio service fee may be charged on the value of the portfolio. This amount will be up to 2% of the portfolio with a minimum charge of \$1,000 p.a (exc GST)
Adviser Service Fee	From time to time	An Adviser Service Fee may be payable from time to time, for example on an application for a Managed Fund or Structured Product. This amount will be negotiated at the time of the investment with the Adviser. For example, an investor may invest \$50,000 and agree with the Adviser to a one of Adviser Service Fee of \$1,000 (exc GST).

Fees payable by other parties to C2 (not you)

Type of Fee or Cost	How & When is it paid	Amount
Insurance Commission	We may receive a commission from an Insurance provider when you take out an insurance policy.	
	Upfront	The upfront commission for insurance products paid to C2 ranges between 0% to 125% (including GST) of the first year's annual premium. For example, the commission on insurance cover with an annual premium of \$1000 with a 30% upfront commission (including GST) will result in \$300 being paid to C2. The upfront commission received is also disclosed in the relevant PDS.
	Trail (Ongoing)	C2 can receive payments from insurance product providers in the form of trailing commissions. The rate usually ranges from 14% to 30% of the ongoing premium value from year 2 of your insurance cover. For example, the trail commission on insurance cover with an annual premium of \$1,000 with a 15% trail (including GST) will result in \$150 being paid to C2 for each year the policy remains in force. The trail commission received is also disclosed in the relevant PDS.



Other Fees and Charges Non-Trading Related Charges

Fail Fee – Buy This fee is payable if your CMT/CMA account or margin lending account does not have sufficient funds in respect of a buy trade	\$110.00 per day + corresponding penalty fees
Fail Fee – Sell This fee is payable if you fail to provide the relevant financial products in respect of a sell order	\$110.00 per day + corresponding penalty fees + ASX fees
Options Fail Fee This fee is payable if your CMT account or margin lending account does not have sufficient funds in respect of an options trade or margin call	\$110.00 per day + corresponding penalty fees
Funding Costs Funding costs are charged by us to you on any outstanding amounts owed to us in respect of brokerage fees and in respect of any funds required for settlement of a purchase transaction	15% p.a. on all outstanding monies
Security holder Reference Number (“SRN”) Enquiry	\$22.00
Re-booking Fee This fee is payable when you execute a trade in an incorrect account and the trade has to be cancelled and rebooked to the correct account	\$33.00
Off Market Transfer	\$100.00
Other Fees	To the extent possible, C2 will keep all fees and charges to an absolute minimum. However, sometimes we need to cover one-off costs and these will be negotiated from time to time with you.

Referral Fees we may Pay

Where you have been referred to us by a third party (such as a financial planning group or accountant), we may pay a fixed introductory or ongoing fee in relation to the referral. All introductory fees are negotiated with the third party on a case by case basis.

Your adviser may make investment decisions or charge fees that you disagree with. Provided your adviser acts within the scope of his or her authority, and has done so efficiently, honestly and fairly; the fact that you disagree with an investment decision that results in a fee being charged does not mean that you have any right to claim against your advisor.

How do we maintain information about you?

The National Privacy Principles apply to the collection of personal or sensitive information. In effect, this means that information provided by you in the course of receiving financial services must be used only for the following purposes:

- to provide you with information, products or services that you might reasonably expect or request;
- to fully understand or anticipate your needs during our relationship;
- to manage rights and obligations under any laws applying to the services provided; or
- to conduct research, or planning and marketing, which includes direct marketing, although you do have the right to specifically instruct that your details aren't used for these purposes.

The type of information, which will usually be requested, will include significant details about your financial, taxation, health, employment and estate planning matters. This may include details relating



to your partner or family members. You are entitled to request access to your file for the purpose of reviewing and correcting the information held. However, you cannot access information where it would have an unreasonable impact upon the privacy of another person, or if the information is relevant to legal obligations or legal proceedings. We will, from time to time, disclose information about you to other professionals, insurance providers, superannuation trustees, product issuers and our service providers in connection with providing our services to you.

You are entitled to obtain access to the information which we hold about you by contacting our Privacy Officer on (02) 8098 0300 or by writing to us at

C2 Investments
The Privacy Officer
PO Box R1373
Royal Exchange NSW 2000

For more information regarding our collection, use, storage and disclosure of your personal information, our Privacy Policy can be accessed by emailing us at info@c2fg.com.au

Complaints

As part of our commitment to customer service, C2 has in place a complaints handling procedure consistent with the Australian Standard. In the first instance, Clients should raise any complaint that they have with their advisor. However, if Clients have not received a satisfactory resolution to their complaint, they can also contact C2's Compliance department. If the complaint is not resolved internally to the Client's satisfaction then the Client is entitled to refer the complaint to the external complaints scheme of which SAI is a Member, the contact details of which are as follows:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Telephone: (03) 9613 7366
Toll free: 1300 780 808 Fax: (03) 9613 6399
Email: info@fos.org.au

Professional Indemnity Insurance

SAI holds a Professional Indemnity Insurance Policy for liability arising from the financial services which C2 provides. This satisfies the requirements for compensation arrangements under section 912B of the Corporations Act and section D of ASIC Regulatory Guide 126.

