

PART O

**Sequoia Direct
Financial Services Guide**

AFS Licence No. 333297

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ABN 17 090 611 680

**Level 36, AMP Centre,
50 Bridge Street,
SYDNEY NSW 2000**

A Participant of ASX Group

Sequoia Direct Pty Ltd

AFSL no. 333297
Level 36, AMP Centre,
50 Bridge Street, Sydney NSW 2000
www.sequoiadirect.com.au



Introduction

As the holder of an Australian Financial Services Licence (AFSL #333297), Sequoia Direct Pty Ltd (ABN 17 090 611 680) (**Sequoia Direct, we or us**) is required to provide you with this Financial Services Guide (FSG).

The purpose of this FSG

This FSG provides you with information about Sequoia Direct and is designed to assist you in determining whether to use any of the financial services we offer.

This FSG includes information in relation to:

- who we are and how you can transact with us;
- the services and types of products we provide;
- how we are remunerated for the services we provide, including our fees & charges;
- your privacy and how we use your personal information;
- Anti Money Laundering;
- Our external complaints handling procedures and how you can access them if required.

Sequoia Direct authorises the issuance of this FSG and is responsible for the financial services provided.

Other types of disclosure documents

When the holder of an Australian Financial Services Licence gives personal financial product advice to a retail client, the licensee is required to give the client a **Statement of Advice (SoA)** which is designed to record the details of the advice and the basis of the advice. As Sequoia Direct does not provide personal financial product advice, Sequoia Direct will not give you an SOA. If you have another independent financial adviser, you may receive an SOA from them.

In some situations, you may also be entitled to receive a **Product Disclosure Statement (PDS)**, prepared by the issuer of a financial product, which is designed to set out, among other things, a detailed description of the financial product, the risks and benefits of the product and amounts payable in respect of the product. If you deal through Sequoia Direct in securities, options, warrants, managed investment schemes or other financial products requiring a PDS, you should obtain, read and understand the issuer's PDS, which will generally be available on the relevant issuer's website.

Information about Sequoia Direct

Who is Sequoia Direct?

Sequoia Direct is a boutique online trading company, providing general advice and arranging execution-only services for self directed investors wishing to buy or sell ASX equities, warrants and options. Sequoia Direct is a wholly owned subsidiary of Sequoia Financial Group Limited (ASX: SEQ) ABN 091 744 884. See www.sequoia.com.au for more information.

Our service is complemented by our related entities, D2MX Pty Ltd ACN 113 959 596 (D2MX) for trading services and Bourse Data Pty Ltd ACN 101 774 234 (Bourse Data) for trading tools and software solutions.

Sequoia Direct is not a participant of the Australian Securities Exchange Ltd (**ASX**). ASX transactions entered into on your behalf are executed by D2MX Pty Ltd, and cleared and settled by Pershing Securities Australia Pty Ltd ACN 136 184 962 (Pershing) or any other third party clearing agents that Sequoia Direct may appoint from time to time. Pershing will provide CHESS sponsorship services to Sequoia Direct's clients. You should read and ensure you understand D2MX and Pershing's Financial Services Guide available from our website (<http://www.sequoiadirect.com.au/>), or directly from the D2MX or Pershing website. Any financial services provided by Sequoia Direct will be provided by Sequoia Direct on its own behalf.

What financial services and financial products do we offer?

Sequoia Direct is authorised to provide general advice in relation to the following financial products and services:

- securities (such as shares, company issued options and some warrants)
- derivatives (such as exchange traded options, some warrants and services relating to CFDs)
- government debentures, stocks and bonds
- basic and non-basic deposit products
- interests in managed investments schemes, including Investor Directed Portfolio Services (IDPS)
- standard margin lending products

Integrity | Technical Expertise | Professionalism

We do not issue margin lending facilities, but can assist you with making arrangements with margin lending facility providers approved for settlement purposes by Sequoia Direct.

Sequoia Direct is authorised to deal (by way of issue) in relation to derivatives; and to deal on behalf of others, with respect to the following products:

- securities
- derivatives
- interests in managed investment schemes including Investor Directed Portfolio Services (IDPS)
- government debentures, stocks and bonds
- basic and non-basic deposit products
- standard margin lending products

You should also note that Sequoia Direct is obligated by the AML/CTF Act to collect personal information from clients in order to fully verify a client's identity before providing any designated services under the AML/CTF Act. More information on the products and services offered by Sequoia Direct are available on our website at www.sequoiadirect.com.au

Do we provide personal financial advice?

If you use our online services for trading in listed financial products, derivatives and managed funds, we may from time to time provide general advice in relation to financial products. We will not, however, provide you with any personal advice. This means that, if we do give advice, we will not take into account your objectives, financial situation and needs. Accordingly, you will not be provided with an SOA.

Sequoia Direct does not provide "personal advice" nor is it authorised to do so. The decision as to whether you should invest in a financial product and whether it is appropriate for you is solely made by you. Sequoia Direct from time to time may provide you with "General Advice" or will assist you in the acquisition and investment in a financial product on your instructions.

General Advice – This is where we give you "general advice" in relation to, for example, our view of the quality of the investment or financial product; however the advice is not tailored to your particular financial circumstances, needs and objectives. You make the decision whether to invest or not, the choice and amount of investment, based upon your understanding of your financial circumstances, needs and objectives. We make no personal recommendations to you as to whether the service or product may be suitable for you. Any General Advice provided is not intended to be passed on or relied upon by any particular person. Any indicative information and assumptions used may change without notice to you, particularly if based on past performance. Further, you should read the PDS (if available) relative to this advice before a decision is made.

How can you contact us or use our services?

You can contact us or give us instructions to trade in ASX listed securities in person, by telephone or online through our various trading platforms.

Our contact details are as follows

Telephone: 02 8114 2222

Email: direct@sequoia.com.au

Address: Level 36, AMP Centre, 50 Bridge Street, Sydney NSW 2000

All your dealings through Sequoia Direct are governed by our terms and conditions and those of D2MX and Pershing which are available on request and on our website at www.sequoiadirect.com.au .

Remuneration arrangements, fees and charges

How is Sequoia Direct remunerated for the services we provide?

Sequoia Direct is remunerated directly through the fees we charge you. Details of our fees and charges are set out in the schedule to this FSG.

We may also be remunerated by product providers in respect of some financial products through commissions. If this is the case, details are set out under section titled Associations with other product and service providers.

Staff remuneration and benefits

Employees and Directors of Sequoia Direct and its' related entities receive salaries, bonuses, a share of profits and other benefits.



Remuneration or benefits paid to other parties

Other Australian Financial Services Licensees may receive a referral fee or commission from us for promoting Sequoia Direct. Those Licensees' remuneration is included in the fees you pay us when investing in our products. At your request, we will provide particulars of our staff remuneration (including commissions) or other benefits. However, we will only provide this information to you if you have requested it within a reasonable time after this FSG has been given to you and before any financial services identified in this FSG are provided to you.

Associations with other product and service providers

Sequoia Direct may provide you with financial products and services from either related or non-related product providers. Sequoia Direct may receive a commission payment from product or service providers where you invest in one of their products or use their services. The following are examples of such arrangements where such commissions may be payable:

- **Cash Management Trust/Cash Management Account** – If you open a Cash Management Trust or Cash Management Account through Sequoia Direct, Sequoia Direct may receive initial and ongoing commissions based on the balance of the account. Details of any such commissions will be contained in the PDS of the relevant CMT/CMA provider. Such amounts received by Sequoia Direct normally are in the range of 25 basis points.
For example if the ongoing commission was 0.25% pa (including GST) on your CMA balance of \$1,000 this will result in Sequoia Direct being paid \$25.00.

Sequoia Direct may also arrange software subscription and data services through **Bourse Data** which is a related entity. Such services are not provided by Sequoia Direct, are not financial services and are not covered by the Sequoia Direct dispute resolution scheme. Any queries relevant to such services need to be dealt with by you in accordance with the **Bourse Data** terms and conditions.

How we deal with your personal information

Your privacy is important to us. Any records we hold will be handled in accordance with our Privacy Policy which details how we comply with the Privacy Act. A copy of our Privacy Policy will be provided upon your request. If you wish to examine your file or make changes to this information, please contact us and we will make arrangements for you to do so.

Anti Money Laundering

As a financial service provider, we have an obligation under the Anti Money Laundering (AML) and Counter Terrorism Finance Act (CFTA) 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 driver's license. We will also retain copies of this information. We assure you that this information will be held securely in accordance with our Privacy Policy.

Dispute resolution and complaints handling

We are committed to providing a high standard of client service and to maintaining our reputation for honesty and integrity. If our level of service has failed to meet your expectations we would like you to tell us about your concerns. Our complaint handling process is designed to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly.

If you have any complaints about the service you have received from Sequoia Direct or any aspect of your dealings with us, you should contact us by telephone on 02 8114 2222 or by email to compliance@sequoia.com.au

If your complaint is not satisfactorily resolved within 3 business days after you first notified us, please put your complaint in writing addressed to:

Complaints Officer
Sequoia Direct Pty Ltd
PO Box R1837
Royal Exchange NSW 1225

The Complaints Officer will discuss your complaint with the relevant personnel and prepare a response.

If you are not satisfied with our response and wish to proceed further, you may refer the matter to an independent complaint handling body. Sequoia Direct is a member (Member Number: 14312) of the external complaints scheme governed by the Financial Ombudsman Service (FOS). The contact details for FOS are as follows:

GPO Box 3,
Melbourne, VIC 3001
Telephone: 1300 780 808
www.fos.org.au

Further information about the process, jurisdictional limits and resolving complaints is available from Sequoia Direct or FOS. The Australian Securities and Investments Commission (ASIC) also has an Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Compensation Arrangements

Sequoia Direct has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance. In particular, the Professional Indemnity insurance, subject to its terms and conditions, provides appropriate indemnity in accordance with ASIC Regulatory Guide 126 with respect to Sequoia Direct our Representatives and our authorisations and obligations under our Australian Financial Services License. This insurance continues to provide coverage for work done by us and our Representatives while engaged with Sequoia Direct and who have since ceased employment with Sequoia Direct.

Schedule Of Fees And Charges

All fees and charges stated herein are inclusive of applicable GST unless otherwise stated.

EQUITIES AND WARRANTS

Sequoia Direct charges the following rates for trading equities and warrants online:

STANDARD ONLINE RATE

Trade Size	Brokerage
\$0 to \$5,000	\$19.50
\$5,001 to \$25,000	\$24.50
\$25,001 to \$250,000	\$24.50 plus 0.10% of trade value above \$25,000
Greater than \$250,000	\$29.50 plus 0.05% of trade value above \$25,000

REWARD ONLINE RATE

Trade Size	Brokerage
\$0 to \$5,000	\$14.50
\$5,001 to \$25,000	\$19.50
\$25,001 to \$250,000	\$19.50 plus 0.09% of trade value above \$25,000
Greater than \$250,000	\$24.50 plus 0.04% of trade value above \$25,000

To qualify for the Online Reward Rate, clients must be current paid subscribers of the trading platform with live data provided by Bourse Data or an active ongoing client of Sequoia Superannuation. To continue to qualify for the Online Reward Rate, clients must continue to meet this qualification criteria. We may from time to time offer non-qualifying clients the opportunity to participate in the Online Reward Rates, at our discretion or other purposes for any period of time determined by us and notified to the relevant clients in writing. The client is not entitled to be offered the Online Reward Rate for any period of time outside that notified to the client.

TELEPHONE TRADING

All equities, options and warrant trades placed over the phone will be charged brokerage of \$55 min or 0.22%, whichever is greater.

Brokerage and Confirmations

Confirmations are issued at the end of a trading day for any executed buy or sell in an individual security (even though the order may not be complete). If the balance of the order is filled the next day, then a new confirmation would be issued and an additional confirmation charge is applied.

Note that brokerage is payable each time we issue a confirmation up until your order is completed.

EXCHANGE TRADED OPTIONS

Sequoia Direct charges the following fees for trading ASX listed derivatives online:

A brokerage fee of \$2.42 per lot/contract for Index Options and \$0.24 for Company Options, with a minimum brokerage of \$26.40 for all transactions same stock, same series, same side, same day.

Option exercise/assignment is charged at the same rate as an equity trade in the relevant categories. Options trading statements are issued at the end of a trading day.

In addition to the above, all ASX/ACH fees incurred on your behalf will be charged to your account and are additional to the fees quoted above.

SOFTWARE AND DATA FEES – For existing Bourse Analyser clients only (service closed to new clients)

The Bourse Analyser Software and Data fee for clients who have a trading account with Sequoia Direct comprises two parts:

1. Software Fee – Fixed at \$66.00 (IRESS Trader Platforms) per calendar month, or free for htmlIRESS.
2. Data Fee – This is a fee charged by the ASX for viewing Live Price Data. The fee is charged at the rate of 2.53 cents per minute (IRESS Trader Platforms) during the hours of 9:30am to 5:00pm weekdays. This fee is capped at \$41.25 for Non-Professional investors and \$49.50 for Professional Investors per calendar month to view both live ASX and options market prices.

If the service (IRESS Trader Platform) is requested to be activated you will be charged a minimum of \$66 per calendar month, plus option data add-on's. Until you request cancellation of the service at direct@sequoia.com.au, it will continue monthly.

OPTIONAL DATA ADD-ONS AND UPGRADES:

Optional data service type	Monthly Charge
Dynamic Live Futures Data with Market Depth	\$75.00
Dynamic Chi-X Data (requires dynamic data subscription)	\$30.00
International Exchanges	\$11.00
Live ASX Company reports and news	\$40.00
Mobile Iress	\$55.00
Dow Jones Australia/New Zealand News	\$55.00
Dow Jones International News	\$82.50
Dow Jones Asia Pacific News	\$33.00
International Markets Live Indices	\$31.35
London Metals Exchange (LME)	\$20.00
NZ Module	\$27.50
NZSE Data Royalty (Requires NZ Module) NZD	\$88.00
Reuters News	\$55.00

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 us to 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

\$55.00

Posted Contract Notes

\$1.50

1. Transaction prices are on a per trade or per side (if options) basis
2. All non-trading related charges above are GST inclusive.
3. All ASX charges incurred on your behalf will be charged to your account.

Other Fees

To the extent possible, Sequoia Direct will keep all fees and charges to an absolute minimum. However, sometimes we need to cover one-off costs to make sure that our everyday charges remain low. These fees will be notified to you and charged in addition to brokerage.