



FINANCIAL SERVICES GUIDE

VERSION 4.3

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1. Issue Date

This Financial Services Guide (“FSG”) is dated 22nd June 2016 and replaces all previous versions.

2. Purpose and Contents of this FSG

This FSG is an important document and is designed to provide you with important information regarding our services to consider before deciding whether to use our financial services or products. The FSG is designed to provide you with an understanding of what to expect from our relationship and includes the following:

- who we are and how you can contact us
- who is my adviser
- the financial services we are authorised to provide
- the costs of our services, how we are remunerated for these services and how we pay our representatives
- any (potential) conflicts of interest we may have and
- our internal and external dispute resolution process

If you choose to use any of our financial services and products, you may also receive other important documents. These documents may include a statement of advice and product disclosure statements.

If you would like further information on any of these matter, please ask us.

3. Name of Service Provider and Contact Details

The authorising licensee is HLK Group Pty Ltd ABN 93 161 284 500 (“HLK”), and the Principal Contact there is Jason Holdsworth, Director/Responsible Manager.

HLK Group Pty Ltd
Suite 801, 3 Spring Street
Sydney NSW 2000
Tel: 1300 669 605
Email: info@hlkgroup.com.au
Web: www.hlkgroup.com.au

4. Australian Financial Services License (“AFSL”) details & Financial Services provided

HLK holds an AFSL [Number 435746] and is authorised to deal in and provide general and/or personal financial product advice in relation to the following:

- deposit and payment products
- derivatives
- foreign exchange contracts
- debentures, stocks or bonds issued or proposed to be issued by a government
- interests in managed investment schemes limited to Managed Discretionary Account service
- securities

to retail and wholesale clients.

HLK can undertake trades pursuant to client instructions (non-discretionary) or manage such investments on their behalf (discretionary) utilising a comprehensive range of financial products and services.

5. Method of providing financial services

If you wish to utilise our services you may issue us with instructions in any of the following ways:

- in person
- via the telephone (please note that telephone calls may be tape recorded)
- in writing (including email or facsimile, where authorised by HLK). You must check and confirm with us that instructions sent via email or facsimile have in fact been received by us and

6. Who is My Advisor

HLK has authorised Corporate Authorised Representatives (Companies) and Authorised Representatives (Individuals) to provide financial services. As the licensee, HLK is responsible for the advice you receive from our advisers and us.

The details of your Corporate Authorised Representative are:

Name:	Lexium Capital Pty Limited
ACN:	611 276 138
AFS Representative Number:	001241098
Address:	Level 10, 20 Martin Place Sydney NSW 2000
Tel:	9239 3299
Email:	m.asher@lexiumcapital.com

Lexium Capital Pty Limited is authorised, as well as its nominated representatives by HLK to provide general and/or personal financial product advice in relation to the following:

- deposit and payment products
- derivatives
- foreign exchange contracts
- interests in managed investment schemes limited to MDA services

to wholesale clients only.

To the extent that we authorise our representative to do so, your adviser can help you to apply for the financial products referred to above and can also give you financial product advice in relation to them. If your adviser is unable or unwilling to provide you with advice or services in respect of certain products, the adviser will refer you to another representative of HLK, who should be able to assist you.

7. Nature of Advice

General financial advice

There may be times we offer you general financial advice. You should note that general financial advice does not relate specifically to you and therefore may not be appropriate to your particular financial needs, objectives and financial circumstances. You need to take this into account before deciding whether or not to act on it. This FSG contains general information. If you have further questions after reading it please contact us.

Personal financial advice

If we provide you with personal financial advice, then you will initially receive a Statement of Advice (SOA) when, or as soon as practical after the advice is given. This statement will set out the advice, the basis on which the advice was given and any remuneration or other benefit that we, including our representatives and associates, may receive. We will also include details of any matter that might reasonably be expected to be capable of influencing us in providing this advice.

If you maintain an advice relationship with us, then generally we will not provide an SOA for further advice situations unless there have been significant changes to either your personal circumstances or the basis of the advice since your last SOA was provided. In these circumstances however, we are still required to keep a Record of Advice (ROA). You have the right to request a copy of your SOA or ROA at any time.

We will maintain a record of your personal profile including details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you. For information on how to access these records, please refer to the section 'Privacy'.

We will not give you personal advice in our regular updates, research reports or marketing material, when you visit our website, or contact our Client Services team.

8. Documentation

HLK will provide clients with the following documentation where applicable:

Transaction Documentation:

HLK will provide clients with the relevant documentation to facilitate requested transactions (i.e. client agreement, terms & conditions and confirmation).

Factual information/Deal execution only:

HLK can provide you with factual information and research, and facilitate execution only requests.

Product Disclosure Statements:

If we make a recommendation for you to acquire a particular financial product or offer to provide or arrange for the provision of a particular financial product, you should also receive a **Product Disclosure Statement** which contains important information regarding the features, benefits, risks and fees applicable to investment in such product, and should be read carefully to enable you to make an informed decision about whether to acquire or utilise such products.

Statement of Advice (SOA):

An SOA is a document that sets out your situation, goals and your adviser's financial recommendations. If you are a retail client, you will normally receive a SOA when we provide you with personal advice that takes into consideration your personal objectives, financial situation and needs. The SOA will contain:

- the advice
- the basis on which it was given
- the identity of the person(s) advising you
- information about fees, commissions and associations related to the provision of this advice.

Record of Advice (RoA):

On an ongoing basis, a Record of Advice (ROA) will be provided instead of an SOA if there have been no significant changes in your personal circumstances and/or the basis of the advice has not significantly changed since your last SOA was provided. You have the right to request a copy of your SOA or ROA for up to seven years after the advice has been given. Your request can be made in writing or verbally.

Annual Investor Statement (AIS):

An AIS is a report which provides a comprehensive summary of your MDA. If you are a retail client, you will receive an AIS for each financial year. The AIS will contain:

- transaction summary of each MDA
- auditor's report
- SoA and RoA which were given

9. Managed Discretionary Account (MDA)

This FSG complies with the conditions of MDA relief extended to MDA Service providers by ASIC in accordance with ASIC Class Order 04/194 and ASIC Regulatory Guide RG179. HLK provides an MDA service that enables clients to delegate the investment management and trading discretion for exchange traded

and over-the-counter securities and derivatives transactions, to HLK. This means HLK will invest in financial products on your behalf without prior reference to you for each individual transaction.

All securities and financial investments involve risks. HLK has an effective risk management system in place to ensure that all risks are recognised and measures to minimise the risks are implemented. HLK maintains a focused approach to risk management by monitoring regularly.

The risks associated with investing through the MDA service include:

- Investment objective risk: risk that an investor's objectives will not be met by the MDA. Authority may be used to invest in assets which may not suit your objectives, needs and risk level or may be unsuitable from a social or ethical position
- Manager risk, the risk that the manager will not achieve its performance objectives or not produce returns that compare favourably against its peers. Past performance results are not necessarily indicative of future performance
- Concentration risk, the reliance on a group of securities, instruments or asset class that may significantly affect the performance of your portfolio.
- Product Risk, the risks for clients in utilising the MDA service also include those existent in non-discretionary dealings in exchange traded and over-the-counter securities and derivatives transactions. These risks are referred to in the Product Disclosure Statement (PDS) of the relevant financial product. The PDS should be carefully read and reviewed before acquiring the product. Derivatives carry a high level of risk to your capital and you should only trade with money you can afford to lose.
- Counterparty risk, risk of loss due to a counterparty not honouring a financial commitment which may cause the value of the MDA to fall. Counterparties include brokers, settlement houses, banks and other authorised deposit taking institutions
- Market risk, changes in the prices of investments that may result in loss of principal or large fluctuations in the valuation of your investment within short periods of time. Factors that drive changes in asset prices include changing profitability of companies and industries, economic cycles and conditions, volume of security issuances, investor demand levels, business confidence and government central bank policies.
- Volatility risk, the potential for the price of your portfolio to vary sometimes distinctly over a short period of time. The greater the volatility of the returns the more likely it is the returns will differ from those expected over a given time period.
- Liquidity Risk, when particular investments are difficult to purchase or sell preventing closing out a position or re-balancing within a timely period and at a fair price
- Inflation risk, the risk that the prices of goods and services will rise faster than the value of the investments
- Company specific risk, investment in a company's securities is subject to risk of that particular company's performance due to factors that are relevant and applicable to the company, the sector of the market to which the company belongs, or the equity market generally. Where it has exposure to that security it may affect the performance of the MDA
- Changes of law and other statutory restrictions, including but not limited to taxation and corporate regulatory laws, practice and policy.

If you wish to instruct HLK in relation to corporate actions (proxy voting) or otherwise regarding the financial assets held in your MDA portfolio, please contact us via the means detailed in Section 3 or 6 of this FSG.

All retail clients are required to obtain independent advice prior to entry into such an arrangement, to ensure it is appropriate for their personal financial needs, objectives and circumstances. For MDA services, HLK Group will have to consider your personal circumstances, needs and objective. We will provide you with specific personal advice and issue you with an SOA and Client Agreement – MDA Contract.

It is important that you provide us with accurate information as the MDA contract may not be suitable for you if you have provided to us limited or inaccurate information relating to your relevant personal circumstances. The MDA contract may also cease to be suitable if your relevant personal circumstances change, therefore it is important that you communicate with HLK if you experience major changes in your circumstances.

Clients must enter into a formal Client Agreement - MDA Contract prior to accessing this service. The Client Agreement - MDA Contract provides all relevant communication protocols, and includes an investment program that is prepared in accordance with the requirements in Division 3 of Part 7.7 which details the following:

- the nature and scope of the discretion that HLK will be authorised and required to exercise
- any significant risks associated with the MDA contract.
- the basis on which we consider the MDA service suitable for you; and
- warnings about any applicable limitations relating to the MDA contract which you must consider before signing the MDA contract

HLK's Financial Advisers will review the investment program at least once every 12 months.

HLK's MDA service does not include custodial or depository services so as a client you will directly hold legal title to the portfolio of assets. Therefore for the service to be implemented, you will need to authorise HLK as the MDA Operator or HLK's Authorised Representative as the MDA manager to trade on your behalf.

HLK will provide MDA clients with electronic access to information on a substantially continuous basis detailing your investment portfolio. The information details:

- all transactions effected as part of the MDA service
- the value of the assets in the client's portfolio
- all revenue and expenses (including fees and charges) relating to the MDA service
- a statement of the time at which the information is current

You will also receive an Annual Report summarising the information provided.

10. Professional Indemnity Insurance

In compliance with s912B of the Corporations Act 2001 (Cth) and ASIC RG 126 and subject to the terms and conditions we maintain Professional Indemnity Insurance to cover the financial products and services we and our Corporate Authorised Representatives / Individual Representatives / Employees provide, including any claims in relation to the conduct of our former representatives/employees.

11. Our record-keeping obligations

HLK will seek to ensure that comprehensive and accurate records of client profiles, together with all advice/recommendations provided, are properly maintained.

12. Who do we act for?

HLK is responsible for the financial services we provide to you under our Australian Financial Services License.

HLK is an agent when dealing in Contracts For Difference and margin foreign exchange contracts, i.e. off-market Over-The-Counter (OTC) derivatives. HLK will arrange for another counter-party to issue in conjunction with HLK for these all transactions with you in respect of these specific financial products.

HLK may also arrange for you to be supplied with financial services and products issued by non-related product providers. HLK may receive a fee or commission payment from these non-related issuers as a result of you investing in one of their products or services. Any remuneration that HLK may derive is

included in the fees and commissions you pay as outlined under the heading “Information about remuneration” – you do not pay extra.

HLK does not act as a representative of any other licensee in relation to the services or products we provide.

13. Remuneration/commission/benefits

HLK is remunerated through the fees and commissions that we charge for the services we provide. With certain products, we may also be directly remunerated by product issuers. Should we earn a part of the remuneration you are charged, we will ensure to obtain clear consent from you prior to the arrangement in accordance with the requirements of the Corporations Act.

Fees and commissions charged to you will depend on the type of financial product being traded, the type and level of service required and the size of the transaction. Rates are subject to negotiation by you with HLK prior to transacting any business. Fees and commissions, once disclosed and agreed, will be charged to your trading account at the time your transaction is executed.

The tables attached in the Annexure to this FSG, provide an indication of standard fee and commission rates applicable to HLK’s approved products (all quoted exclusive of any Goods and Services Tax, transaction and exchange fees). These rates are subject to change from time to time. A detailed description of the fees, charges and commissions payable for each of the financial products offered by HLK can be found in the SOA and Product Disclosure Statement for the relevant financial product.

HLK’s employees and directors are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus that is based on achievement of pre-determined business objectives such as contribution to profit, client service, risk management and leadership/team contribution.

Certain employees, directors and representatives may also receive 0% to 90% of all fees and commissions generated from their clients depending on the level of salary and the aggregate revenue that they earn for HLK. All remuneration paid by you to HLK or to our employees, directors and representatives is included in the fees and commissions disclosed in the attached tables.

HLK does not hold any client money and therefore does not retain any interest on client money. HLK’s product providers may hold client money in segregated accounts and it must maintain pursuant to the Corporations Act. The provider of each segregated account determines the rate of interest, details can be found in the Product Disclosure Statement for the relevant financial product.

A service provider who may receive financial or non-financial benefits from us may have referred you to us. The service provider in question should have disclosed these to you. Please note that such benefits will not impact transaction fees or the rates you will be offered for financial products or services undertaken with HLK.

14. Disclosure of any relevant conflicts of interest

HLK will advise you of any material interest that could reasonably be expected to influence our recommendation of a financial product to you either, verbally or within an SOA or ROA. We manage, and will clearly disclose any conflicts that we believe may influence our advice. HLK has an interest of shareholding in the following:

- Aleda Capital Pty Ltd

15. Dispute Resolution

HLK has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer (by

telephone, facsimile, or letter) at the address and telephone numbers provided in Section 3 of this FSG, or by email to **compliance@hlkgroup.com.au**

We will provide acknowledgement of receipt of written complaints within 5 business days, and seek to resolve and respond to complaints within 30 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service (“FOS”) [contact details below], an approved external dispute resolution scheme, of which HLK is a member (Member number: 32001). You may also make a complaint via the ASIC free call Info line on 1300 300 630.

FOS

GPO Box 3, Melbourne, VIC, 3001

Telephone: 1300 780 808

Facsimile: +613 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

16. Privacy

HLK Group Pty Ltd respects your right to the privacy of your personal information. Any personal information provided by you to HLK Group will be handled in accordance with our privacy policy. Our privacy policy details how we comply with the requirements of the Privacy Act 1988 (Cth) and the Australian Privacy Principles in the handling of your personal information.

A copy of that policy can be obtained by visiting the HLK Group website at www.hlkgroup.com.au or asking your adviser.

17. Anti-Money Laundering and Counter Terrorism Finance Act

As a financial service provider, we have an obligation under the Anti-Money Laundering and Counter Terrorism Finance Act 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. We cannot provide you with services if you are unwilling to provide this information.

18. Annexure to Financial Services Guide Dated 22nd June 2016

The following tables provide an indication of our standard fees and costs (all quoted inclusive of any Goods and Services Tax). These rates are subject to change from time to time. **Please note that rates are subject to negotiation by you with Lexium Capital prior to transacting any business.**

General Fees

Advice Fees The fee on any Statement of Advice (SOA) or Record of Advice (ROA)	NIL
Ongoing Service Fee Any ongoing charges	NIL
Contribution Fee The fee on each amount contributed to your investment	NIL
Establishment Fee The fee to open your investment	NIL
Administration Fee The fee charged to administer the account	NIL

Management Costs

Management Fee: The fee to operate your account	NIL
Performance Fee: The fee charged on profits achieved above an agreed benchmark	50% of all returns above watermark (inc GST)