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Financial Services Guide

Version 6 | Date of Issue 20 June 2018

This Financial Services Guide ("FSG") is a document intended to inform you of certain matters relating to our relationship prior to providing you with any investment advice. This Guide is in two parts. This document is Part 1 and a separate document providing information on your adviser is Part 2. It should assist you in deciding whether to use any financial products or services provided by Sequoia Asset Management and should be read in conjunction with any other documents you may receive from us.

This FSG provides you with information regarding:

1. Who is Sequoia Asset Management Pty Ltd ("Sequoia Asset Management")?
2. What Financial Services Sequoia Asset Management can offer you?
3. Documents you may receive from Sequoia Asset Management
4. The Type of Financial Services you will receive.
5. Remuneration and other benefits
6. Linked Cash Management Accounts
7. Your privacy and how we use your personal information
8. Anti Money Laundering
9. Conflicts of Interest and Existing Arrangements
10. Complaint Resolution

1. Information about Sequoia Asset Management

Sequoia Asset Management Pty Ltd ABN 70 135 907 550 is 100% owned by ASX listed Sequoia Financial Group Ltd (Sequoia) ABN 90 091 744 884 (ASX: SEQ), an Australian investment services firm. Sequoia Asset Management holds an Australian Financial Services License (AFSL No. 341506) and is a member of the Australian Financial Complaints Authority.

Sequoia Asset Management authorises the issuance of this FSG as Version 6 and is responsible for the financial services provided by its Representatives. Details of the Representative and the terms of their authority are contained in their

Adviser Profile which is individually provided. The Adviser Profile should be read in conjunction with this FSG.

Sequoia Asset Management 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 indemnity up to the Sum Insured for Sequoia Asset Management, our Representatives (Advisers) and employees in respect of our authorisations and obligations under our Australian Financial Services License. This insurance continues to provide coverage for work done by any Representative while engaged with Sequoia Asset Management.

Sequoia may be contacted at:

Street: Level 7, 7 Macquarie Place, SYDNEY NSW 2000

Postal: PO Box R1837, Royal Exchange NSW 1225

Telephone: (02) 8114 2222

Email: invest@sequoia.com.au

2. What are the Sequoia Asset Management Authorisations?

Sequoia Asset Management is authorised to provide financial services restricted to General Advice and dealings in relation to the following classes of financial products:

- Basic and non basic deposit products
- Retirement savings accounts
- Superannuation
- Government debentures, stocks or bonds
- Derivatives
- Securities
- Standard Margin Lending Facilities
- Life Risk Insurance
- Interests in Managed investment schemes including investor directed portfolio services

Sequoia Asset Management is also authorised to provide custodial or depository services.

While Sequoia Asset Management holds a licence that allows

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it to provide General Advice financial services for the above mentioned financial products, your adviser's authority may be restricted to a narrower class of financial products. You must read the terms of the Adviser Profile as provided with this FSG to ascertain the financial services that the adviser is authorised to provide to you.

3. Documents you may receive from Sequoia Asset Management

If you choose to use our services you will receive the current FSG, Adviser Profile and Product Disclosure Statement ("PDS") where applicable for the relevant financial products discussed. If you invest in an investment strategy without a PDS (such as Sequoia Asset Management's Premium Portfolio Service), then you will receive a written explanation of the investment detailing the strategy (an Information Memorandum or "IM"). Before investing in any financial products you must also complete a "No Advice Declaration" or "General Advice Declaration", as is appropriate in the circumstances.

To invest in any financial product you must complete the application form attached to the relevant PDS. The PDS contains information about the particular product and will assist you in making an informed decision about that product. To invest in Sequoia Asset Management's Premium Portfolio Service you must complete the relevant application forms associated with this service.

4. The Type of Financial Services you will receive

Sequoia Asset Management's Representatives (advisers) do not provide "personal advice"; that is they do not (and are not authorised to) advise you as to whether a financial product is appropriate for you. The advisers do not consider your personal circumstances, needs and objectives in relation to whether you should invest in the particular financial product. 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 Asset Management's Representatives (advisers) may provide you with "**General Advice**" or will assist you in the

acquisition and investment in a financial product - this being on a "**No Advice**" basis. These offerings are discussed further below.

Becoming a Client of Sequoia Asset Management

As mentioned above, as a client of Sequoia Asset Management you will either be a "No Advice" client or a "General Advice" client - this is your choice. To assist you in determining whether to be a General Advice client or a No Advice client, please consider the services offered by Sequoia Asset Management as described below. If you have any questions, please feel free to contact us.

i. No Advice Client - These clients make their own investment decisions, including the choice of investment, the dollar amount etc. For example, you may instruct us to purchase a number of shares on your personal trading account. Sequoia Asset Management will process this transaction but will not provide any advice in relation to the shares or their suitability for you.

ii. 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 Product Disclosure Statement (if available) relative to this advice before a decision is made.

Providing Instructions to Sequoia Asset Management

Sequoia Asset Management accepts instructions provided by telephone, letter, face to face or email. However, for direct shares we cannot guarantee the execution of any order.

5. Remuneration and other benefits

You have the right to know the detail of commissions, remuneration and other benefits Sequoia Asset Management

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and your adviser receive and to contact us if further particulars are required. In the absence of any special arrangements all information about the remuneration or commission paid to Sequoia Asset Management is disclosed in the relevant PDS or Information Memorandum (if available) associated with the particular product or service. As Sequoia Asset Management provides a range of services the applicable fee will depend on what service(s) you choose.

We reserve the right to change these fees from time to time, however we will advise you when and if we change our fees. While some of the fees we charge may be tax deductible, we recommend you confirm the tax deductibility status with a professional taxation adviser.

We may from time to time receive a benefit from preferred product providers or be paid a benefit from 3rd parties by way of sponsorship of educational seminars, conferences or training days. We do not accept other benefits of more than \$300 and benefits in excess of \$100 will be recorded in a Register which is available upon request.

Telephone Trading

All equities, options and warrant trades placed over the phone will be charged brokerage of \$93.50 min or 1.10 % (including GST), 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 Asset Management 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.

Other Fees

To the extent possible, Sequoia Asset Management 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 apply in addition to brokerage.

Upfront Commission

Insurance: The upfront commission for insurance products paid to Sequoia Asset Management ranges between 30% to 88% (including GST) of the first year's annual premium. For example, the commission on insurance cover with an annual premium of \$300 with a 30% upfront commission (including GST) will result in \$90 being paid to Sequoia Asset Management. The upfront commission received is also disclosed in the relevant PDS.

Trail Commissions

Sequoia Asset Management may provide you with financial products and services from either related or non-related product providers. Sequoia Asset Management 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:

Insurance: Sequoia Asset Management 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 \$300 with a 30% trail (including GST) will result in \$90 being paid to Sequoia Asset Management for each year the policy remains in force. The trail commission received is also disclosed in the relevant PDS.

Cash Management Trust/Cash Management Account: If you open a Cash Management Trust or Cash Management Account through Sequoia Asset Management, Sequoia Asset

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The logo for Sequoia Asset Management features the word "sequoia" in a bold, lowercase, sans-serif font. A green leaf icon is positioned above the letter 'i'. Below the word "sequoia" is the text "Asset Management" in a smaller, uppercase, sans-serif font.

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Management 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 Asset Management 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 Asset Management being paid \$25.00.

Margin lending referrals: if you use a margin lending facility through Sequoia Asset Management, Sequoia Asset Management may receive ongoing commissions based on the balance of the account. Details of any such commissions will be contained in the PDS of the relevant margin lender. Such amounts received by Sequoia Asset Management normally are in the range of 25 basis points. For example, if the ongoing commission was 0.25% pa (including GST) on your loan amount of \$10,000 for a full year this will result in Sequoia Asset Management being paid \$250.00.

Adviser Service Fee

Sequoia Asset Management on certain investments may receive an adviser service fee. This fee is negotiated between you and your Sequoia Asset Management Adviser. This fee normally ranges from a fixed fee to a percentage based fee on un-gear'd investments of between 1.1%-2.2% (including GST). For example, if you agree to an adviser service fee of 1.1% (including GST) on your investment of \$100,000 this will result in Sequoia Asset Management being paid \$1,100.

Referral fees we 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 fee in relation to the referral. All introductory fees are negotiated with the third party on a case by case basis.

Referral fees we may receive

Where we refer you to a third party (such as an accountant, administration service provider, property agent/broker, mortgage broker) we may receive an introductory or ongoing referral fee. We currently have referral relationships with numerous parties where referral fees to Sequoia Asset Management can be paid for example:

- Sequoia Superannuation Gold Establishment Package up to \$2,000 (incl GST)

- Sequoia Superannuation Silver Establishment Package up to \$1,800 (incl GST)
- Sequoia Superannuation Basic Packages up to \$660 (incl GST)
- Sequoia Superannuation Ongoing referral fees of up to \$1,100 (incl GST) per year.
- Property Agents/Brokers up to 30% of commission they receive.
- Mortgage brokers up to 30% of upfront commission and ongoing trail they receive.

How Sequoia Asset Management's advisers are paid

Directors and employees of Sequoia Asset Management receive salaries, bonuses, a share of profits and other benefits. At your request, we will provide particulars of our representative 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.

6. Linked Cash Management Account (Trading Clients & Sequoia Superannuation Clients)

To trade through Sequoia Asset Management, a Macquarie Cash Management Account (CMA) must be established and linked to your trading account.

This account is for the purpose of settling transactions and fees on your account. When you open an account with us, you authorize Sequoia Asset Management to establish a Macquarie CMA on your behalf in the name of your trading account. If you have an existing Macquarie CMA, you can link this account instead as long as the account is in the name of your trading account.

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For more information about Macquarie's CMA services and the benefits of an integrated CMA, please refer to Macquarie's product disclosure statement (titled Product Information Statement) which can be found on our website or at www.macquarie.com

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7. Your privacy and how we use your personal information

Privacy Statement

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.

8. Anti Money Laundering

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 in accordance with our Privacy Policy.

9. Conflicts of Interest

Existing Relationships

Your adviser may hold an interest in a financial product, referral business or may hold recommended shares. Any significant interest/ownership will be recorded in a register and where appropriate, this holding will be disclosed to you in the Adviser Profile.

Sequoia Asset Management has existing relationships with Product and Service Providers in order to bring innovative investment opportunities and services to market.

- Sequoia Wealth Management Pty Ltd
- Sequoia Direct Pty Ltd
- Sequoia Superannuation Pty Ltd
- Sequoia Specialist Investments Pty Ltd
- Bourse Data Pty Ltd
- D2MX Pty Ltd
- Finance News Network
- Interprac Financial Planning Ltd
- Morrison Securities Pty Ltd

When your Sequoia Asset Management Representative has an equity ownership in any of the above listed entities it will be disclosed to you in their Adviser Profile.

10. Complaint Resolution

Sequoia Asset Management is committed to providing quality advice. This commitment extends to providing accessible complaint resolution mechanisms. If you have any complaint about the services provided to you, you should take the following steps:

Contact your adviser. If your complaint is not satisfactorily resolved within 7 days please put your complaint in writing and send it to us or call us at:

Sequoia Asset Management Pty Ltd

Attention: Compliance Manager

PO BOX R1837

ROYAL EXCHANGE NSW 1225

Telephone: (02) 8114 2222

Email: compliance@sequoia.com.au

If we cannot reach a satisfactory resolution within 45 days, you can raise your concerns with the Australian Financial Complaints Authority. Sequoia Asset Management is a member of this complaints resolution service.

Telephone: 1800 931 678

Email: info@afca.org.au

Web: www.afca.org.au

Mail: GPO Box 3, Melbourne MC 3001

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