



Beyond Capital
ASSET MANAGEMENT

Beyond Capital Asset Management

Financial Services Guide

Financial Services Guide

Issue Date: 28th September 2016

1. ABOUT THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) is designed to provide you with important general information regarding our services and is generally issued prior to providing you with any of our financial products or services. This FSG has been produced and written so as to comply with Australian Securities and Investments Commission (ASIC) requirements in particular referring to Regulatory Guide (RG) 179 & applicable ASIC Class Orders (as varied from time to time) and relevant sections of the Corporations Act 2001 (Cth). The information contained within this guide includes the following:

1. About this FSG
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All information contained in the FSG has been obtained from sources believed to be accurate. The accuracy of third party sources have been relied upon where appropriate. Please contact us if you would like further information on this FSG or on any of our services.

2. ABOUT THIS FINANCIAL SERVICES GUIDE

Beyond Capital Asset Management Pty Ltd ACN 610 259 179 who holds Australian Financial Services License (AFSL) # 484045

3. OUR CONTACT DETAILS

Beyond Capital Asset Management Pty Ltd
2/80 Dover Dr
Burleigh Heads QLD 4220
AUSTRALIA
EMAIL: backoffice@beyondcapital.com.au
WEB: www.beyondcapital.com.au

4. FINANCIAL SERVICES WE CAN OFFER

We hold Australian Financial Services License number 484045 and are authorised to provide the following financial services:

- a. Provide financial product advice for the following classes of financial products to both **retail** and **wholesale clients**:
 - (i) Deposit and payment products (limited to basic deposit products);
 - (ii) Derivatives;
 - (iii) Foreign exchange contracts;
 - (iv) Interests in managed investment schemes (excluding investor directed portfolio services);
 - (v) Interests in managed investment schemes (limited to MDA Services); and
 - (vi) Securities;

- b. Deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of products to both **retail** and **wholesale clients**:
 - (i) Derivatives;
 - (ii) Foreign exchange contracts;

- c. Deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of interests in managed investment schemes (limited to MDA Services) to **retail clients** only;

- d. Deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of interests in managed investment schemes (limited to own managed investment schemes) to **wholesale clients** only;

- e. Deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes:
 - (i) Deposit and payment products (limited to basic deposit products);
 - (ii) Derivatives;
 - (iii) Foreign exchange contracts;
 - (iv) Interests in managed investment schemes (excluding investor directed portfolio services);
 - (vi) Securities;

5. FINANCIAL PRODUCTS WE DEAL IN

Beyond Capital Asset Management offers its client general and personal advice and/or transaction services on the following financial products:

- a. Spot and forward foreign exchange contracts;
- b. Margin foreign exchange and margin foreign exchange options in respect of all major currencies and currency crosses (**Margin Contracts**);
- c. Contracts for Difference (**CFDs**) in respect of equities, currencies, bullion, commodities and indices;
- d. Exchange Traded Securities
- e. Exchange Traded Derivatives
- f. Other Non Exchange Traded Derivatives (Over the Counter or **OTC**)
- g. Currency conversion and transfer payment information and support; and
- h. Such other products as are notified to you from time to time.

6. OUR ADVICE POLICY

Transactional Broking (Dealing and or Broking) - Beyond Capital Asset Management does not provide personal advice in relation to independently trading financial products such as securities, derivatives and foreign exchange contracts; we act in a broking or dealing capacity only. Any advice we provide to you as a retail client, when we are acting in a broking or dealing capacity, does not take account of your personal circumstances and therefore must be considered "General Advice" only. In this instance, you should seek independent professional advice to ascertain whether our advice and the financial products you are dealing in are appropriate for your circumstances. Newsletters, trade alerts and research papers are examples of General Advice we may provide to you.

Managed Discretionary Account (MDA) - Where appropriate Beyond Capital Asset Management, having considered your personal circumstances, needs and objectives, Beyond Capital will provide you with specific personal advice and issue you with an MDA services contract (**MDA Contract**). Beyond Capital cannot provide MDA services until you enter into an MDA Contract. These services will be conducted upon evaluation of your investor profile, upon completion of this should the investment be deemed appropriate based on the information provided by you, Beyond Capital will issue you with a Statement of Advice (**SOA**).

A fundamental feature of an MDA service is that you provide authority to someone else (your investment adviser i.e. Beyond Capital Asset Management) to invest in financial products on your behalf without prior reference to you, or consent from you for each individual transaction.

When providing this MDA service to you we are required to adhere to an agreed Investment Program provided with the SOA and MDA Contract outlining a range of investment parameters that have been tailored to your personal circumstances and risk profile.

Before taking any action to acquire any of the financial products or services mentioned in this FSG you should consider whether the service is appropriate having regard to your personal circumstances. You should also ensure that you understand the risks associated with the financial services you enter into with Beyond Capital Asset Management. Risks associated with the specific Investment Program are outlined on the MDA Contract provided. Prior to entering into the MDA contract if you do not understand these risks you should contact Beyond Capital Asset Management or seek independent advice.

You will be provided direct access to the MDA so you can review all transactions and the implementation of the Investment Program. As the MDA investment account is in your name, you have full access to the system to monitor performance and control investment. The Investment Program will be reviewed annually to determine if it is still appropriate for you. If your personal circumstances, investment parameters or risk profile change after your Investment Program is finalised then you must advise Beyond Capital as soon as possible so that an updated Investment Program can be developed for you. The Investment Program in the MDA Contract has been prepared in accordance with Division 3 Part 7.7 and Division 2 of Part 7.7A of the Corporations Act.

The Investment Program includes:

- A summary of the nature and scope of the discretions that you will be authorized and required to exercise;
- Information on significant risks associated with the MDA Contract;
- The basis the MDA Contract is considered suitable to your financial circumstances;
- Warnings that the MDA Contract:
 - o May not be suitable for the client if the client has provided limited or inaccurate information about the relevant circumstances; and
 - o May cease to be suitable if the client's relevant personal circumstances change.

The key risks to be considered when authorising an MDA service:

- Authority may be used to invest in assets which may not suit your objectives, needs and risk level,
- Authority may be used to invest in assets that may be unsuitable to you from a social or ethical position,
- You may be subject to financial losses for investment decisions made, and
- We may exercise discretion in relation to corporate actions that may not be suited to your requirements.

We will provide regular quarterly reporting on the MDA services we provide to you. Please contact us should you require additional information.

7. ACCOUNT OPENING PROCESS

Before a MDA can be opened and operated on your behalf:

We are required to:

- send you our FSG and Supporting Account Opening and Disclosure Documentation;
- complete a Client Profile Questionnaire (Investor Profile), which we use to produce your SoA to ensure operating a MDA in accordance with the Investment Program, is in fact appropriate for you;

and you must then:

- consider our FSG carefully;
- consider, sign and return our MDA Contract & Investment Program (don't return the Investment Program unless it needs amendment);
- consider sign and return the SoA and Authority to proceed;
- complete the nominated third party broker agreement and application process; and
- contribute funds and/or holdings to the minimum value required.

All Agreements and Account Application material must be duly completed in full, signed and returned to us before your MDA can be opened and investment commence. A copy of the MDA Contract will be returned to you once it is executed by us.

8. USING OUR SERVICES

If you wish to utilise Beyond Capital Asset Management services you may issue instructions in person, in writing, by email, via the telephone or via such other method as may be mutually agreed between us, unless we tell you that instructions can only be given in a particular way. Instructions, given to us whether they confirm or revoke an instruction, commitment or notice of request do not take effect unless actually received by us.

Self-Directed Clients

Self-directed clients may place instructions via one or more designated trading platforms. Any order restriction times will be governed by the terms and conditions set out by the relevant platform provider (third party execution & clearing broker). If placing by telephone you may do this during Australian business hours 8:30am – 5:30pm, Monday to Friday AEST.

Before you log onto any trading platform to deal in a financial product or ask us to deal in a financial product by telephone, it is important that you understand the risks, costs and benefits of dealing in that financial product. For information on the risks, costs and benefits related to specific financial products you should turn to the relevant product issuers Product Disclosure Statement (PDS) Document.

MDA Clients

Our MDA Service does not include custodial or depository services.

Your MDA broker account will be established at the nominated broker in your name and portfolio holdings will be registered in your name. Doing so maximizes administrative and settlement efficiency, reduces costs, and facilitates your ability to monitor your portfolio. Your holdings will not be pooled with our other MDA Service clients, nor will they be held by, or in the name of, a third-party.

A MDA is an account established in your name, used to make investments on your behalf in accordance with your Investment Program and the discretionary Authority given to us without the need, on each and every occasion, to consult and get your agreement or instructions to sell, buy, apply for or redeem investments in financial products prior to actually doing so.

Specific and on-going discretionary authority is given to us as part of the MDA Contract and day-to-day we are obliged to manage the MDA portfolio in accordance with the agreed Investment Program and your signed Authority. The Investment Program is presented as part of the MDA Contract and/or the SOA and therefore is actually part of the MDA Contract.

By granting us discretionary Authority you are empowering us to deal and invest on your behalf at any time and to bind you to those dealings or investments as if you have placed an order or provided other instruction/s in the usual manner for dealings on an Account which is not a MDA (see section titled "Self Directed Clients"). You would not be able to refuse to accept or settle any transaction executed on behalf of your MDA, as long as we acted in accordance with your Investment Program and the discretionary Authority granted to us, because you didn't give us direct instructions for that transaction.

At all times you will be the registered and beneficial owner of holdings or funds in your MDA, but we will control day-to-day trading or investment on behalf of your MDA. At any particular time, you may not know what holdings your MDA actually holds. You will be able to monitor your MDA by accessing your brokerage account either via our website portal or via your broker platform directly.

We will report to you in the required form each Quarter (or more frequently if you require and we agree). You will be free to meet or consult with us regarding your MDA.

You may contribute further funds or holdings to your MDA. Subject to the value of your MDA portfolio remaining above \$25,000, you may withdraw holdings or funds. You may expressly instruct, as outlined above, at any time to cease trading your account, which in that instance overrides the discretionary authority previously given to us. You may terminate your MDA Contract by giving notice to us in accordance with the applicable terms.

Outsourcing MDA functions

Beyond Capital enters into outsourcing arrangements to assist us fulfill MDA services.

In relation to MDA services:

- send you our FSG and Supporting Account Opening and Disclosure Documentation;
- complete a Client Profile Questionnaire (Investor Profile), which we use to produce your SoA to ensure operating a MDA in accordance with the Investment Program, is in fact appropriate for you;

and you must then:

- we ensure that potential service providers are assessed to determine whether they can exercise due skill and care by setting performance criteria and regularly assessing performance of service provider against the performance criteria; consider, sign and return our MDA Contract & Investment Program (don't return the Investment Program unless it needs amendment);
- we outsource our accounting, legal, marketing and trading functions (i.e. platform trading where we engage Saxo Capital Markets (Australia) Pty Ltd); and
- we monitor the performance of the providers of the outsourced functions by benchmarking against industry standards or where there are no published standards then we benchmark based on standards of performance deemed appropriate to type of service being provided;
- where a service provider fails to meet a service standard then we will investigate non-compliance and take appropriate steps based on the level of non-compliance and the outcomes of the failure by the service provider. Where systems improvements can be made to improve interaction with the service provider then these will be undertaken promptly to minimize adverse implications for our clients.

Risks of MDA Contracts

General Economic Conditions and Market Risk - You should be aware that the price or level of underlying financial products, indices or assets may be subject to fluctuations that relate to factors such as government economic policies, interest rate changes, taxation policies, inflation rate changes, business confidence, the state of world stock markets (in particular the US stock markets) and the state of the Australian and global economies.

MDA Operator - Under the Investment Program, BCAM will seek to generate income and capital growth by trading in futures/derivatives. While it is BCAM's intention to make profits every time we trade, you should be aware that not all trades will result in a profit. There can be no guarantee that the investment strategy will be realised.

Outsourcing MDA functions

Leverage Risk – Where possible, the MDA may be operated based on a notional value, i.e. leverage is being used through various financial products to increase the size of your MDA investment account. If leverage is used to make an investment and the market moves against your position, your loss can be much greater than it would have been if the investment had not been leveraged. In general, leverage magnifies both gains and losses.

Liquidity Risk – The MDA may invest in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts) or expensive for Beyond Capital to liquidate positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant OTC Derivative margin contract).

Exchange Rate Risk – Investment in a MDA must be converted back to Australian dollars following transacting in financial products denominated in other currencies. Accordingly, the price of any Derivative contract traded on international markets and, therefore, the potential profit and loss of the trade, may be affected by any variance in the foreign exchange rate between the time the order is placed and the time it is liquidated, offset or exercised and then converted back to Australian dollars.

Margins – The Client could sustain a total loss of initial margin funds that the Client deposits with the platform provider to establish or maintain a position. If the derivatives or foreign exchange market moves against the Client's position, the Client may be required, at short notice, to deposit with the platform provider additional margin funds in order to maintain the Client's position. Those additional funds may be substantial. If the Client fails to provide those additional funds within the required time the Client's position may be liquidated at a loss and in that event the Client will be liable for any shortfall in its MDA investment account resulting from that failure. This means that you may lose more than your initial investment funds.

Transaction Costs and Risk Management - To reduce the risk of loss, Beyond Capital will utilise certain risk management processes, including undertaking many trades throughout the trading month to diversify across both price and time. You should be aware that each trade placed by BCAM on your behalf will incur transaction costs. Such costs may be significant. In addition, BCAM may utilize internal risk management rules, including the placing of “Good ‘Till Cancelled” Stop Loss Orders. However, you should be aware that such strategies will not always adequately protect you from loss (for example, it may not be possible to execute a trade at the defined stop-loss level). Please also refer to the risks summarized in the PDS issued by the platform provider.

Other disadvantages of entering into the MDA Contract and adopting this Investment Program may include but are not limited to:

1. Not controlling the day to day investment decisions in relation to your MDA investment account;
2. Remaining liable for all transactions made on your MDA investment account by BCAM on your behalf; and
3. Needing to continually update Beyond Capital in relation to any change in your personal circumstances so as to ensure the Investment Program remains suitable.

How do I know if MDA Contracts are suitable for me?

If you are uncertain whether an MDA Contract is the right investment choice for you then please contact us and we will provide an analysis of your personal circumstances and determine suitability. Please ensure you provide a full and comprehensive summary (with supporting materials) of your asset and liabilities and your financial position to best enable us to determine the most appropriate investment strategy for you.

9. WHO WE ACT FOR

Beyond Capital Asset Management acts as an agent and/or an advisor (General Advice) and/or a dealer when you utilise our financial services. Accordingly, Beyond Capital Asset Management is not a market maker or financial product issuer and therefore does not act as the principal in any transactions with you.

10. WHAT OUR SERVICES COST YOU

MDA Fees:

Specific transaction fees are tailored to each client, and are provided on the MDA contract.

By way of example, our Managed Discretionary Account (MDA) Service contains 2 separate fee components:

1. An annual management fee as a percentage of client assets under management (AUM) in MDAs; and
2. A performance fee charged as a percentage of positive returns realised on the client's MDA account.

We charge MDA client accounts a fee structure involving:

- 2% annual management fee calculated and paid monthly in arrears; and
- 20% performance fee* calculated monthly on positive realised returns (net of any cost to deal on the account).

*All performance fees charged are calculated on a "High Water Mark" (**HWM**) method. HWM is calculated from the last highest balance of the account net of all transactional and incidental dealing fees for each month, where a profit is realised. In periods where the balance is below the previous HWM no performance fees is charged until the prior HWM has been attained.

All clients will be provided with an outline of the particular fee structure applicable to their individual account, this will be included in the MDA Contract and SOA.

Other products & services: Fees charged on third party execution and clearing broker's platforms the investment is dealt on can be:

- (a) Payment of margin & margin adjustments;
- (b) Rollover charges;
- (c) Interest charges;
- (d) Commission/brokerage or transaction fees; and
- (e) Financing costs.

11. REMUNERATION OF OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Employees of Beyond Capital Asset Management, who provide you with advice and execution services, may receive remuneration for the provision of these services. Any remuneration is discretionary and is assessed as part of the overall success of the business. No adviser is remunerated for providing specific advice that may result in one financial product being recommended over another.

12. REFERRAL BENEFITS FOR OTHER SERVICE PROVIDERS

You may have been referred to us by a service provider who may receive financial or nonfinancial benefits from us. These should have been disclosed to you by that service provider. Please note that such benefits will not impact transaction fees or margins payable for transactions undertaken with Beyond Capital Asset Management. We will provide details of any referral benefits that relate to your transactions on your reasonable request prior to us providing you with any of our financial services.

13. DISCLOSURE OF ANY RELEVANT CONFLICTS OF INTEREST

We do not have any relationships or associations which might influence us when providing you with our services. Should such a conflict arise then we will prioritise your interests as a client over our interests or the interests of associates and advise you accordingly.

14. MAKING A COMPLAINT

Beyond Capital Asset Management has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. These should be directed to our Complaints Officer who will seek to resolve your concern promptly within fourteen (14) days of receiving your communication. If your concern cannot be addressed within this time then we will seek to resolve your complaint within forty-five (45) days. Contact can be made by telephone, email or letter at the address and telephone numbers provided in this FSG.

Should you feel dissatisfied with the outcome proposed by our Complaints Officer or if your complaint has not been resolved within forty-five (45) days then you may escalate your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution scheme. Beyond Capital Asset Management is a registered member of AFCA (Member # 38776)

AFCA can be reached via the below:

PHONE: 1800 931 678
POSTAL: GPO Box 3, Melbourne VIC 3001 (Australia).
EMAIL: info@afca.org.au
WEB: www.afca.org.au

You may also make a complaint via the ASIC Free call Infoline on 1300 300 630.

Please contact us before you make contact with the regulator or AFCA.

15. COMPENSATION ARRANGEMENTS

We have professional indemnity insurance in place that complies with section 912B of the Corporations Act and ASIC RG126. The professional indemnity insurance policy provides coverage in the aggregate of up to \$5 million in accordance with regulatory requirements. The insurance policy covers work done for us by our representatives and employees after they cease to work for us.

16. OUR RECORD KEEPING OBLIGATIONS

We will maintain comprehensive and accurate records of your client transactions and advice provided to you. These documents will be retained for 7 years from the date of termination of your MDA Contract or for other products and services when you cease receiving these products and services. In addition to this we will maintain a record of your personal profile that includes any personal details that you provide to us. This may include information about your investment objectives, financial situation and needs, income and expenses, assets and liabilities as well as key contact details provided by you on your Investor Profile. We also keep a copy of any current or updated/superseded FSG & SOA that we provide to you. Other documents we will retain may include but not limited to:

- (a) all sales documents;
- (b) file notes;
- (c) application forms;
- (d) recordings of meetings and telephone calls;
- (e) system records;
- (f) any written instructions given by a client;
- (g) change of details forms;
- (h) confirmations and other correspondence sent to or received from clients;
- (i) copies of any client identification documents such as driver's licence, passport and utility statements; and
- (j) all other transaction related documents received from the client (including those documents provided before they became a client).

All personal records will be retained in line with our Privacy policy outlined in Section 17 of this FSG.

17. OUR PRIVACY POLICY

We are committed to protecting your privacy. All personal information (as defined in the Privacy Act 1988 (Cth)) collected from you will be used and stored by us in accordance with our Privacy Policy. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information. A copy of our Privacy Policy can be provided free of charge to you upon request. Clients are able to access personal information retained by Beyond Capital Asset Management, if you wish to examine your personal file, please contact our compliance team on the details provided in section 3 above for this to be arranged.



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