



## Financial Services Guide

Openmarkets Australia Limited (ABN 38 090 472 012, AFSL 246705)  
is a Market Participant of ASX, Cboe Australia and NSX, and an ASX  
Clear and Settlement Participant

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## General information

### 1. About this financial services guide

This Financial Services Guide (**FSG**) provides important information about the services offered by Openmarkets Australia Limited (ABN 38 090 472 012, AFSL 246705) (referred to in this FSG as **Openmarkets, we, our or us**). It is to help you decide if you want to use the Openmarkets services.

This FSG provides information about:

- who we are and our contact details
- documents you may receive from your advice professional
- our products, services and their associated costs
- any relationships we have with third parties that might influence us in providing our services
- how we, our staff and other related parties are remunerated and any other benefits we might receive
- how we collect and use your personal information
- other documents you may receive from us and how you may provide us instructions
- details of our complaints-handling process

For the purposes of this FSG:

- **Client** means the person or persons in whose name the account is opened with Openmarkets or named on the account opening or application form as the 'client' or is a client of an Intermediary. If that is more than one person, then Client means each of them separately and every two or more of them jointly and includes their successors and assigns; and
- **Intermediary** means an AFSL holder or an authorised representative of the AFSL holder who the Client instructs to place an order with Openmarkets.

### 2. Lack of independence

To avoid the potential for any conflict of interest, Openmarkets, although not a subsidiary of, nor controlled by any authorised depository institution or insurer states, that is not independent, impartial or unbiased pursuant to section 942B of the *Corporations Act* 2001 (Cth) (**Corporations Act**).

As outlined in this FSG, Openmarkets provides products and services, including execution, clearing and settlement services that an advice professional may utilise if it is placing orders to buy or sell financial products through Openmarkets when that advice professional is acting in the client's best interests.

### 3. About Openmarkets

Openmarkets is a holder of an Australian Financial Services Licence (AFSL no. 246705) (**AFSL**), issued under the Corporations Act and is located at Level 15, 388 George Street, Sydney NSW 2000.

We are a market participant of ASX Limited (**ASX**), Cboe Australia Pty Ltd (**Cboe**) and National Stock Exchange of Australia Limited (**NSX**). This means we can execute trades in each of these markets directly for you.

We are a clearing participant of ASX Clear Pty Ltd (**ASX Clear**) and a sponsoring broker and participant of CHESS, the clearing and settlement facility operated by ASX Settlement Pty Ltd.

### 4. About our services

## **Domestic – execution, clearing and settlement services**

Openmarkets operates an execution, clearing and settlement stockbroking service for fintechs, advice professionals (e.g. dealer groups, private wealth advisers and stockbrokers) and traders.

Under our AFSL, we therefore provide dealing, personal and general advice services in relation to:

- Securities
- Managed investment schemes
- Bonds
- Derivatives such as Exchange Traded Options (ETOs)
- Deposit products (e.g. bank accounts)

We may act as a CHESS sponsoring participant of the clients. Clients that are to be CHESS sponsored by us must enter into a sponsorship agreement with Openmarkets.

## **International – execution, clearing and settlement services**

Openmarkets provides international securities trading services, arranging execution, settlement, and custody through appointed agents while you remain the beneficial owner of your holdings. All trades are executed in accordance with applicable laws, and securities are held via our custody service, often in omnibus accounts, with legal title recorded in the name of an appointed international custodian. You may be required to provide additional documentation, such as identification or tax forms, to access international markets.

Trading in international securities carries additional risks compared to domestic investments, including exposure to currency fluctuations, different regulatory frameworks, varying settlement timeframes, and potential limitations on corporate communications and voting rights. Some markets may also have lower liquidity or be subject to political, economic, or legal changes that can affect the value and accessibility of your investments.

Openmarkets therefore requires you to agree to general terms and conditions under its Client Agreement prior to placing international securities orders.

## **Nominee services**

Openmarkets may arrange for its wholly owned subsidiary, Openmarkets Nominees Pty Ltd ACN 603 716 089 (**Openmarkets Nominees**) and/or another entity to provide nominee and other custody services for Clients.

Where we provide nominee services, the financial products held by us on your behalf may be held in the same account in which the nominee company holds securities for other persons.

## **Technology services**

Openmarkets may provide cloud-based API infrastructure that provide real-time market access for Clients. APIs extend to delivery of (without limitation) market data, Order Manager and news. Where we provide services to you or to an Intermediary, we may charge a fee for doing so, such fee will be agreed in writing before the service is provided.

## **Financial advice services**

Openmarkets engages authorised representatives and provides infrastructure services to certain advice professionals to provide financial services as authorised under our AFSL, including the provision of personal advice to retail and wholesale clients to the same financial products outlined above.

For more information on our products and services, visit [openmarkets.com.au](https://openmarkets.com.au).

## **Managed discretionary account services**

Openmarkets provides managed discretionary account (MDA) services, allowing us to manage your investments in line with a pre-agreed Investment Program without seeking your approval for each transaction.

**See also Appendix B in this FSG, which outlines particular terms and risks for using MDA services.**

**Portfolio administration services**

Openmarkets can provide portfolio administration services to clients. We will compile all the relevant paperwork for you and provide you with reports which will allow you to more effectively manage your investments. Portfolio services include, but is not limited to, in-house mail service, processing of corporate actions, annual tax reporting and ongoing investment reporting. A fee will be charged based on the level of service you require. Further information on this service is available from your financial adviser.

## Relationships

### 5. Capacity in which Openmarkets acts

Openmarkets acts as your agent in relation to the execution of your orders. If your instructions are communicated to us by an Intermediary, we are not acting as agent for the Intermediary in executing the order. In clearing a transaction, we act as agent for the client for whom the transaction was executed, however, we have settlement obligations to ASX Clear as principal.

When we arrange for the provision of international securities trading services to you in accordance with this agreement, we act as agent for you. To provide these services to you, Openmarkets has entered into agreements with an international broker and will owe obligations in relation to any transaction directly to the international broker. It is then your contract with Openmarkets which enables us to ultimately call upon you to satisfy these obligations.

We act as your agent when arranging for Openmarkets Nominees and/or another entity to provide nominee and other custody services to you. Openmarkets Nominees as agent of Openmarkets, or the other entity, will act as nominee or trustee for you in providing the service.

Openmarkets acts as principal in providing CHESS sponsorship services to clients.

There may be certain activities which we will perform as agent for another person (such as the dispatch by us of confirmations to clients as agent for an Intermediary that arranged for the execution of the transaction).

Openmarkets financial advisers are representatives of Openmarkets and as such, Openmarkets is responsible for all financial product advice that each adviser is acting on and providing to their Clients.

### 6. Associations with product providers

Openmarkets is associated with other providers of products and services and may provide you with such products and services as part of our services. For example, this may include trading technology or software or cash management accounts. Openmarkets does not receive any commissions or other benefits from arranging these services other than as described in this FSG.

### 7. Other documents we may send you

#### Execution services

You will receive our Client Agreement which will contain more information relating to the execution and clearing services provided by Openmarkets and the terms and conditions of those services where we are to execute and clear transactions on an exchange for you.

If Openmarkets is to act as your CHESS sponsoring participant, you will need to enter into a sponsorship agreement with Openmarkets as part of the Client Agreement. You will also be provided with a summary of



our Best Execution Policy, which explains how we handle and execute your orders.

### **ETO transactions**

If you transact in Options, you will need to enter a Derivatives Client Agreement with Openmarkets and you will be provided with an Options Product Disclosure Statement (**PDS**). The Options PDS contains important information about trading exchange traded options (**ETOs**).

### **Third party products**

If we facilitate the use of a particular financial product from a third-party provider, we will supply that provider's PDS if required. A PDS outlines everything you need to know about that product including benefits, costs, terms and conditions, as well as any risks associated with holding that product.

We may provide other documents or information to you, including electronically, from time to time about our services or which we are required to give you (for example, our Privacy Policy).

All the disclosure documents outlined in this Section 7 can be found at [openmarkets.com.au/legals](https://openmarkets.com.au/legals).

## **8. Personal advice**

An authorised representative of Openmarkets may offer you personal advice, taking into account your financial needs, objectives, and situation.

We will ask you to complete a client profile questionnaire if they intend on providing you personal advice.

Personal advice means financial product advice that considers one or more of your objectives, financial situation and needs.

It is not mandatory for you to provide the authorised representative with this information, but please note that if you do not provide complete details of your financial situation, objectives, and particular needs, we may have to limit the advice we provide.

We will furnish you with a Statement of Advice (**SOA**) if we offer personal advice that includes the following:

- the advice provided;
- the basis on which the advice is given;
- information relating to fees, commissions and other benefits and any relationships, associations; or
- interests that may influence the advice you receive.

In case you receive regular personal advice from us and have previously obtained a full SOA, we may not provide you with a new one each time, given that your circumstances and the basis for the advice are not significantly different from when the initial SOA was provided.

However, in such situations, we will maintain a Record of Advice (**ROA**) outlining the advice given.

You can request a copy of the ROA within seven (7) years of receiving the personal advice by writing to us at the address specified in this guide.

We may not always provide personal advice, and in some cases, we may provide general advice that does not consider your personal circumstances or execute transactions according to your directions. We may also provide market updates, research reports, and other general advice, in which situations we will not give you an SOA or ROA.

# Using our services

## 9. How to use our services and transact – direct clients

To access our services, you will need to establish an Openmarkets trading account and enter into a Client Agreement by completing an Openmarkets Account Application Form. You should read the terms of the Client Agreement carefully and seek independent legal advice should you have any questions. To obtain these forms or establish an account, you can contact us:

- online: [openmarkets.com.au/contact](https://openmarkets.com.au/contact)
- by phone: 1300 769 433
- by email: [service@openmarkets.com.au](mailto:service@openmarkets.com.au)

As a direct client of Openmarkets, you will receive a unique, secure login to access your account on our Openmarkets trading platform where you will be able to place orders and transact on the ASX, Cboe and NSX markets.

You can also give us instructions via phone. The method by which we will accept your instructions will be subject to our terms and conditions as outlined in the Client Agreement, which can be found on our website.

Openmarkets does not accept email, SMS, post or fax orders.

## 10. Clients of Intermediaries

If you are a Client that is operating under a wholesale agreement with us, such as a financial adviser or planner, then you will need to contact your Intermediary to execute orders using our services (and not Openmarkets directly).

All orders are executed in accordance with our Best Execution Policy which can be found on our website at [openmarkets.com.au](https://openmarkets.com.au).

## 11. Linked Cash Account

To trade through Openmarkets, you may be required to have a linked cash account (**Cash Account**). This account is necessary for settling transactions and fees related to your Trading Account. To establish your Cash Account and understand how we will manage your funds, please refer to the Client Agreement.

You should also refer to the Cash Account provider's PDS for detailed information regarding the fees applicable to your Cash Account.

## 12. Software services

Openmarkets may arrange for you to use trading software products provided by third parties. If you choose to use a third-party trading system, you will incur a licence fee relating to your use of that system and the licence fee will be disclosed to you when you subscribe for the trading system.

## 13. MDA Services

To use our MDA service, you must have a Statement of Advice from your financial adviser recommending the service, enter into an MDA Client Agreement with us, and have an Investment Program prepared by your adviser. You will also need to provide accurate and up-to-date personal and financial information, and agree to ongoing reviews to ensure the service remains suitable for your circumstances.

## 14. Portfolio administration services

To access our portfolio administration services, you must have an agreement in place with us for the provision of these services. We will use the data from your trades and holdings with Openmarkets to provide accurate



reporting and efficient portfolio management in accordance with the agreement.

## **15. What you should know about the risks of trading and investing**

Before becoming a Client, it is essential to understand that trading or investment in any market has risks. While securities and derivatives may offer the potential for gains, the risk of loss in share market trading can also be substantial.

The value of a security or derivative may rise and fall considerably depending on what other people are prepared to pay for a share at the time of a transaction. Such price volatility will depend on many factors, including information about the company, market sentiment, opinions about the country the security or derivative traded in, the prospects for the industry and many other factors. Sometimes companies go bankrupt, and investors may lose the entire value of their investment in it. This brief statement does not disclose all the risks and other significant aspects involved in trading or investing in financial markets. You should carefully consider whether share or derivative trading or investment suits your needs, taking into account your own specific circumstances.

When you trade in international securities these may be held by Openmarkets in an omnibus account. This means that securities which Openmarkets holds for you may be held in the same account as securities of other Clients and not separately. If there is an irreconcilable shortfall following the default of Openmarkets or the international broker or custodian, you may share in that shortfall proportionately with others whose assets are held in the omnibus account.

## **How we're remunerated**

### **16. Transaction-based fees**

Openmarkets is remunerated either directly by the transaction-based fees we charge you or, if you are a Client of an Intermediary that is operating under an Intermediary services agreement with us (such as a fintech or advice professional), then we will charge fees to the Intermediary and not to you.

We maintain a trust account for the purposes of holding funds that are used for equities trading, and Openmarkets will retain interest that is earned on this account.

Under a transaction-based fee arrangement, we may charge a commission (or brokerage) per transaction that is a flat dollar amount or is based on the value of the securities bought or sold. A minimum charge may apply.

If you intend to operate directly with Openmarkets and not through an Intermediary, you will be advised of the rate of commission when you open a trading account with us and we will notify you of any changes to our transaction-based fees from time to time. The transaction-based fee will also be disclosed to you in the confirmation of the transaction, which you will receive from Openmarkets or your Intermediary.

### **17. CHESS sponsorship fees**

Openmarkets may charge you a fee for providing you with CHESS sponsorship services. You will be advised in writing of the fee (if any) to be charged by us before you agree to receive sponsorship services from Openmarkets.

Openmarkets may also charge the Intermediary fees relating to the provision of sponsorship services to you.

### **18. Nominee and custody fees**

We may charge you (or your Intermediary) a fee for providing nominee or custody services. The fees that we charge the Intermediary may include fees relating to the provision of nominee, custody and/or sponsorship services to you.

## **19. Software fees**

Where Openmarkets arranges for you to use trading software products as outlined in Section 12, Openmarkets will incur the licence costs directly with the provider and pass them onto you. The licence fee charged to you may vary from the amount of the licence Openmarkets pays to the third-party provider of the software. You may request particulars any variance in these fees within a reasonable time after you are given this FSG and before any financial service is provided to you.

## **20. Advice professional fees**

Openmarkets, through an authorised representative, may charge a Client fees for the provision of, 'financial advice services' under this FSG. That authorised representative is acting as your advice professional. The specific details of the advice professional fee charged to a Client for financial advice services will be disclosed to you prior to the provision of such services. The advice professional fee will be disclosed in a SOA separately provided to you. By consenting to the financial advice services (via any agreed method), you may also be required to consent to the payment of this advice professional fee.

By acting as your advice professional, the authorised representative is typically remunerated directly by Openmarkets. This remuneration may be determined based on a portion of the advice professional fees collected by Openmarkets as outlined above (less costs incurred by that authorised representative in providing the financial advice services to you).

## **21. Other fees payable for our service**

We may also receive commissions, brokerage and other benefits from product issuers. Details of these commissions are contained in the Product Disclosure Statement or Offer Document of the relevant product issuer. You may also request details of any forms of commission we may receive.

All fees are subject to change. All fees are exclusive of GST, unless identified otherwise, and, if applicable, an amount equal to the amount of the GST is payable by you at the same time as the fee is due (currently 10%).

See also Appendix A in this FSG, which outlines particular fees that may be charged for using our services, unless such fees are otherwise agreed with you.

## **22. Representatives' remuneration**

Employees and directors of Openmarkets and their subsidiaries and related bodies receive salaries and may also receive bonuses and other benefits. They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the employee and Openmarkets, however they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by us from you.

## **23. Referrals**

We may generate fees from third party referrals of persons to us for the purpose of providing services. We may pay to the referring third party a commission of revenues generated by Openmarkets for such referrals. Any remuneration received by a third party is not an additional cost to you nor does it affect the fees we charge.

If a component of our remuneration or benefits are not expressly set out in this FSG, you may request particulars of the remuneration or benefits within a reasonable time after you are given this FSG and before any financial service identified in this guide is provided to you.

# **Safeguards**

## **24. Personal information**

The privacy of your personal information is important to us and any information we collect from you will be handled in accordance with our Privacy Policy, available on our website. This policy details how we comply with the requirements of the Privacy Act regarding the handling of your personal information.

## **25. Professional indemnity insurance**

We maintain professional indemnity insurance for compensation which satisfies the requirements of the Corporations Act. Openmarkets has insurance arrangements for compensating a retail client for loss or damage suffered because of breaches by Openmarkets (or by our representatives or employees) of obligations under Chapter 7 of the Corporations Act, including losses caused by negligence, fraud, dishonesty or other misconduct, or for an award of compensation made in favour of that Client by our external dispute resolution service.

## **26. Dispute resolution process**

Our reputation, honesty and high standard of client service are important to us. So that we act with integrity, we have a complaints procedure designed to make sure all concerns are treated seriously and that any complaint is addressed promptly and fairly.

If our level of service should fail to meet with expectations, we'd like to hear about it. Any complaint about your dealings with Openmarkets or associated products or services should be communicated to our Complaints Officer

- online: [openmarkets.com.au/contact](https://openmarkets.com.au/contact)
- by phone: 1300 769 433
- by email: [compliance@openmarkets.com.au](mailto:compliance@openmarkets.com.au)
- by mail: Openmarkets Client Services, Level 15, 388 George Street, Sydney NSW 2000

If, after giving Openmarkets Complaints Officer the opportunity to resolve your complaint, you are not satisfied, you can lodge a complaint in writing to the Australian Financial Complaints Authority (AFCA):

- by phone: 1800 931 678
- online: [afca.org.au](https://afca.org.au)

The Australian Securities and Investments Commission also has an infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## **27. Feedback**

Our ethos is about being open and receptive to our Clients' needs, concerns, suggestions and ideas. We welcome the opportunity to engage with you directly. Should you wish to provide us with feedback, please contact our Client Services team using the contact details above.

## Appendix A: fees and charges

Openmarkets will charge the Intermediary fees for executing and clearing transactions and for providing settlement and related services to Clients. The fees that we charge the Intermediary may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You may be charged the fees set out in the table below. If a fee or charge applies, Openmarkets may charge the fee or charge to the Intermediary who may pass the fee or charge onto you. Openmarkets may facilitate the Intermediary making this charge to you (for example, by debiting your linked cash management account on their behalf) but any fee or charge debited is made by the Intermediary and not Openmarkets.

The Intermediary will also charge you brokerage or commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such brokerage, commission and fees, may be obtained from the Intermediary.

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

### Other fees & charges

Other fees and charges will apply for additional services as outlined below.

Fee type	Charge (excluding GST)	When is it payable?
ASX stock fail fee	\$100 per security (up to \$1m trade value); 0.1% of trade value thereafter	Charged by the ASX when stock has failed to be delivered to the market.
Brokerage (Corporate authorised representative of Openmarkets only)	Variable, up to 1.5% of total domestic securities transaction size.  The actual brokerage payable by you will be disclosed in the trade confirmation.	Whenever you buy or sell domestic securities, brokerage is added to the purchase price of a buy transaction and is deducted from the proceeds of a sell transaction.
Cash Management Account fees/commissions	Variable, refer to relevant offer document	We may receive a fee or commission from the relevant provider on amounts deposited in a Cash Management Account. The rate of commission is usually between 0.05% and 0.4% per annum.  This is not an additional cost to you.
ETC & OMEGO bookings	\$2 per booking	Specialised post-trade services pertaining to settlement to a custodian, where the custodian requires trade information via an ETC or OMEGO booking.
Foreign exchange fee	Variable	The foreign exchange provider will charge a fee in entering foreign exchange contracts on your behalf. We will receive a percentage of this fee. GST will not apply.  The fee may vary and will be included in the total foreign exchange fee set out by the foreign exchange provider.
International telegraphic transfer	\$33 per transaction	When you request that we pay funds into an international bank account in your name.
IPO settlement handling fee	\$100 per transaction	Fee charged for each settlement of an IPO transaction.
Manual Bookings	\$35 per booking	Any trade requests that require manual placement, such as

## Bulk uploads

MDA Services	Variable, refer to fees and costs summary in Appendix B	Accrues daily and is payable monthly in arrears
Off-market transfer	\$50 per transfer	If you wish to transfer securities between other entities and your Openmarkets CHES account. These fees will not apply to security transfers when establishing your trading account
One-off sale	\$200 per trade (up to \$15,000) or 1.5% of trade value	Charged when you request to sell an Issuer Sponsored listed security (and not a broker). Identified by a SRN which begins with "I"
Portfolio administration services	Fees range from \$109.09 to \$1,363.64 per annum per portfolio, depending on the service package selected, as set out in the relevant agreement.	Monthly in arrears.
RTGS (Real Time Gross Settlement) payment	\$55 per transfer	Fee charged when an instantaneous funds transfer of money is made upon request.
Settlement fail	\$110 per day or 0.1% (whichever is greater)	If you do not settle a trade or supply holder information by the required time, fail fees will be charged to your account.
Statement fee	\$20 per statement	Fee to generate a Financial Year Trading Report upon request
Stock loan fee	\$250 per stock	For settlement purposes where you do not hold the stock to facilitate settlement.
SRN or HIN Query	\$27.50 per search	Upon request to look up the details of a sponsoring broker of a HIN or lookup a Securities Reference Number.
Trade rebooking	\$13.95 per transaction	When a trade needs to be re-booked to a different account.
Referral fee	Portion of brokerage paid	If you are referred to Openmarkets as a client under a referral arrangement with a referral partner of Openmarkets (or any related bodies corporate) ( <b>Referral Partner</b> ), a portion of the brokerage charged on each transaction will be paid to Openmarkets. The portion of the brokerage will be agreed between Openmarkets and the Referral Partner and disclosed to you.
Account opening for foreign residents	\$200 per account	Fee charged to open an account for foreign residents.

The below fees and charges relate to international securities transactions

Fee type	Charge (excluding GST)	When is it payable?
Brokerage (Corporate authorised representative of Openmarkets only)	Variable, up to 1.5% of total international securities transaction size. The actual brokerage payable by you will be	Whenever you buy or sell international securities, brokerage is added to the purchase price of a buy transaction and is deducted from the proceeds of a sell transaction.

	disclosed in the trade confirmation.	
Corporate action handling fee	Up to USD 100	Whenever we process corporate actions on your behalf
Foreign exchange fee	Up to 1%  The fee is included in the rate quoted to you	Whenever you buy or sell international securities, a foreign exchange fee is charged per currency conversion.
Custody fee	Up to USD 5 per account per position per month	Monthly
Account inactivity	Up to USD 100	Per annum if your account did not generate a trade between 1 January and 31 December
Taxes and stamp duty	Variable, Openmarkets will pass through any additional charges from our International Custodian at cost	When you buy or sell international securities that incurs a fee charged by a stock exchange
Stock transfer	Transfers (Direct Registration System) – up to USD 200 per stock  Non-U.S securities transfer (Broker to broker transfer) – up to USD 200 per stock	When you request international securities transfer in or out
Account opening for foreign residents	Up to USD 100 per account	Fee charged to open an account for foreign residents.
Tax reporting	Up to USD 200 per account	Fee charged for accounts that maintain a position, balance or Form 1042-S reportable transaction during the calendar year.

## Appendix B: Managed Discretionary Accounts

Openmarkets holds Australian financial services licence (AFSL) no 246705, which authorises us to issue, advise on, and deal in managed discretionary account (MDA) services. If you choose to use our MDA service (MDA Service), we will have the authority to manage your investments in accordance with a pre-determined Investment Program without obtaining instructions or approval from you for each transaction. This means that we do not need to contact you for before making a change to your investments, provided the change is within the scope of the agreed Investment Program.

Your financial adviser will recommend this service in a Statement of Advice if they consider it suitable for you. You will need to enter an MDA Client Agreement (MDA Contract) with us before we can provide the MDA Service to you. Your financial adviser will prepare your Investment Program.

The MDA Contract and Investment Program will:

- Explain the nature and scope of the discretions Openmarkets, as the “MDA Provider”, will be authorised to exercise under the MDA Contract, and the investment strategy to be applied in exercising those discretions;
- Contain information about any significant risks associated with the MDA Contract;
- Explain the basis on which your financial adviser considered the MDA Service to be suitable for you;
- Contain a warning that the MDA Service may not be suitable if you provide limited or inaccurate information about relevant personal circumstances; and
- Contain a warning that the MDA Service may cease to be suitable if your relevant personal circumstances change.

Your financial adviser will review the suitability of the MDA Service and your Investment Program with you on an annual basis, or more frequently if requested, or if required due to a change in your circumstances. You must tell your financial adviser if your circumstances change in a significant way, as MDA services may cease to be suitable for you.

You can request changes to your Investment Program at any time through your financial adviser, whose contact details can be found in your Statement of Advice.

Either you or we may terminate the MDA Service at any time by giving notice in writing. Further information will be included in your MDA Contract.

### 1. Significant risks associated with MDA services

We may make investment decisions that you disagree with, or that you would not have made yourself. We will manage your portfolio on your behalf and will make decisions about the composition of your portfolio, including acquiring or disposing of assets and exercising rights at our discretion, within the parameters of your Investment Program. This means you will have to accept tax consequences, transaction costs and any capital loss that may result from any transaction validly executed by us in accordance with your Investment Program.

If you do not promptly inform us or your adviser of any significant changes in your situation, needs or objectives, there is a risk that the MDA Service or your Investment Program may no longer be suitable for you.



Openmarkets relies on technology systems to execute transactions and provide you with reports. Our operating systems and our service providers may fail or inappropriately record your investments. There is a risk that these systems may render property or payment unavailable for certain periods.

In addition to normal investment risks, there are certain risks which are specifically associated with investing through in an MDA. Investing through an MDA may not be suitable for all investors. These risks include:

- We may change your investments at our discretion (within the scope of the authority you give us) and you will generally not receive advance notice of those changes;
- Our investment decisions may not always be profitable and may at times result in losses for the following reasons:
  - Investments are subject to various market, currency, economic, political and business risks. These risks may affect the value of your investments and the return you receive;
  - Different strategies may carry different levels of risk, depending on the investments that make up your Investment Program;
  - Investments with the highest long-term returns generally also carry the highest level of short-term risk;
  - The value of investments and the level of returns will vary. Future returns may differ from past returns;
  - Returns are not guaranteed, and you may lose some of your money;
- You may not be able to exercise voting rights or decide whether to take advantage of corporate actions such as voting, share buybacks and rights issues. We will consider whether to exercise such rights on your behalf and, in doing so, we will have discretion as to whether or not we contact you to seek your instructions;
- The laws affecting MDA services may change in the future;
- There is a risk that our investment management and investment decisions will not achieve your expectations and needs; and
- Sometimes we may need to make orders for all our MDA clients, which may take longer to fill than your own direct order. This may result in price averaging across all client orders, which can lead to price benefits or disadvantages for any transaction.

Neither Openmarkets, nor any of our representatives related persons or related body corporates guarantees or makes any representation concerning the future performance of the MDA Service, the return of capital, investment performance, or the success of our investment decisions.

## **2. Other risks associated with MDA services**

Other risks associated with with MDA services, and investing generally, include:

**Investment Risk** - There is a risk that the investment will not give you the returns you hoped for or that you will lose money. No level of return or performance is promised by us.

**Currency Risk** - Foreign assets may be affected favourably or unfavourably by fluctuations in exchange currencies which may affect the value of the investments.

**Inflation Risk** - Risk that the prices of goods and services rise faster than the value of the investments, resulting in erosion of purchasing power over time.

**Counterparty Risk** - Risk of loss due to a counterparty defaulting on a financial commitment which may lead to losses.

**Economic and Geopolitical Risk** - Our investment decisions may be affected by unforeseen global events (e.g., economic downturns, geopolitical tensions), which could negatively impact your portfolio.

**Liquidity Risk** - Some investments may be difficult to sell quickly, which could affect your ability to access funds when needed.

**Tax** - Our trading decisions and any variation to tax law and regulation could affect the value of the portfolio and existing investment strategy.

Credit Risk - There is the risk that an institution holding your capital (e.g. debenture issuer) may fail to pay interest or return your capital.

Interest Rate Risk - Changes in interest rates can affect the value of fixed-income investments.

Concentration Risk – At times, your portfolio may be concentrated in a particular asset class, sector, or geographic region, increasing the risk if that area underperforms.

Regulatory Risk - Changes of law and other statutory restrictions, including but not limited to taxation and corporate regulatory laws, practice and policy.

The risks identified here are not meant to be exhaustive as it is not possible to identify every risk factor associated with investing. Your financial adviser will advise you of the relevant risks associated with the MDA Service and your Investment Program.

### 3. Providing Instructions to Openmarkets

We will execute trades on your behalf without the need to seek specific instructions from you for each trade. We may, but we are not obligated to, request instructions from you as to how rights relating to the assets in your portfolio are to be exercised. If we do, in our absolute discretion, request such instructions, Openmarkets will use reasonable endeavors to comply with your instructions by the cut-off time in respect of that corporate action.

Enquiries regarding your investments should be made to your financial adviser in the first instance so that they can contact us on your behalf. However, you can contact us directly by using the contact details below:

- online: [openmarkets.com.au/contact](https://openmarkets.com.au/contact)
- by phone: 1300 769 433
- by email: [service@openmarkets.com.au](mailto:service@openmarkets.com.au)

Any instructions relating to change of details, withdrawals or transfers must be made in writing and duly signed.

For your own protection, you should not:

- Sign any blank forms or documents;
- Appoint your financial adviser to act as your attorney or authorised signatory;
- Nominate your financial adviser to receive your statements without you also receiving a copy; or
- Give your financial adviser unclear or misleading instructions or false information.

### 4. Outsourcing and External Service Providers

We may outsource to third parties some operational activities. Where these activities are undertaken by an external third party, they will be subject to a due diligence process prior to appointment. This due diligence process involves understanding their capabilities, experience and competence in delivering these services. External service providers are selected in accordance with internal policies and are approved by our board of directors.

A third-party investment manager (**Model Manager**) may be appointed to perform investment management activities including portfolio composition, strategy and timing of buys and sells for a particular portfolio. If this applies to you, prior to investing, you will be provided with additional disclosure detailing the Model Manager's investment objectives and strategy, and any specific risks associated with the investment strategy.

On an annual basis, a due diligence review is performed on the external service providers to ensure they continue to have the operational capacity and competences to continue to deliver the services outlined in the contractual arrangement we have with them. In addition, the annual due diligence review is tabled to

the Compliance and Risk Committee.

## 5. Custody of assets

Any managed funds held in your portfolio will be held on your behalf by Openmarkets Nominees Pty Ltd, a company related to Openmarkets. Openmarkets Nominees Pty Ltd will be the legal owner of these assets and you will be the beneficial owner. Please ensure you have read and understood our Retail Custody Nominee Terms before you sign the MDA Contract.

For equities and ETFs held in your portfolio, you will have a choice. These can either:

- Be held on your behalf by Openmarkets Nominees Pty Ltd. Openmarkets Nominees Pty Ltd will be the legal owner of these assets and you will be the beneficial owner; or
- You can retain legal ownership of any equities or ETFs held in your portfolio. These assets will be registered to your Holder Identification Number on the CHESS sub-register.

## 6. MDA fees and Costs

### CONSUMER ADVISORY WARNING

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the MDA Provider or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission ("ASIC")** website (<http://www.moneysmart.gov.au>) has a managed funds fee calculator to help you check out different fee options.

This section shows the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investments or from the in your MDA. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Our investment decisions may also have capital gains and income tax consequences for you, depending on your personal circumstances. You should seek professional advice on the tax implications of your MDA.

The fees and costs for your investment portfolio will be disclosed in your MDA Contract.

### Fees and costs summary

MDA Service		
Type of fee or cost	Amount <sup>1</sup>	How and when paid <sup>2</sup>
<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment<sup>2</sup></p>	<p>Minimum Administration Fee (Per Portfolio per annum): \$880.00 or</p> <p>0.88% / 88bps per annum (whichever is greater)</p> <p>Fee Cap: N/A</p>	<p>Our MDA Service Fee is calculated and accrues daily and is payable monthly in arrears from your cash account to Openmarkets.</p> <p>Indirect fees and expenses, including fees charged by underlying fund managers will be reflected in the value of the investments held within your MDA.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the MDA Service</p>	<p>0% / 0bps per annum</p> <p>The Performance Fees for your investment portfolio will be disclosed in your MDA Contract.</p>	<p>Indirect performance fees charged by underlying fund managers will be reflected in the value of the investments held within your MDA.</p>
<p><i>Transaction costs</i></p> <p>The costs incurred by your MDA when buying or selling assets</p>	<p>Minimum \$30.00 or 0.18% / 18bps per transaction (whichever is greater).</p>	<p>Transaction costs are paid from your MDA whenever Openmarkets buys or sells an investment on your behalf.</p> <p>For direct equities and ETFs, a brokerage fee is deducted from your MDA and paid to Openmarkets.</p> <p>Whenever we buy or sell an investment in an underlying managed fund, a buy-sell spread (a type of transaction cost) is applied to the unit price and paid to the issuer of the managed fund.</p>
Member activity related fees and costs (fees when your money moves in or out of the MDA Service)		
<p><i>Establishment fee</i></p> <p>The fee to open your MDA</p>	Nil	Not applicable
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your MDA</p>	Nil	Not applicable
<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by your MDA</p>	Nil	Not applicable

<i>Withdrawal fee</i> The fee on each amount you take out of your MDA	Nil	Not applicable
<i>Exit fee</i> The fee to close your MDA	Nil	Not applicable
<i>Switching fee</i> The fee for changing portfolios within the MDA Service	Nil	Not applicable

1. All amounts are estimates based on the most current information available. All amounts are shown inclusive of GST, net of any reduced input tax credits.
2. See the section 'Additional Explanation of Fees and Costs' below for further information.

### Example of annual fees and costs for a balanced investment option

This table gives an example of how the ongoing annual fees and costs of the balanced portfolio can affect your investment over a 1-year period. You should use this table to compare this with other MDAs and managed funds.

Example – Balanced Portfolio		Balance of \$100,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> MDA Service Fee and costs	\$880 p.a. minimum fee or 0.88% / 88bps per annum (whichever is greater)	<b>And</b> for \$100,000 you have in the Portfolio, you will be charged or have deducted from your investment <b>\$880</b> each year as 0.88% of \$100,000 is the same as the minimum fee
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year
<b>EQUALS</b> Cost of Portfolio		If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of <b>\$880 to \$924 plus Transaction Costs</b>
<b>PLUS</b> Transaction costs	Minimum \$30.00 or 0.18% / 18bps per transaction (whichever is greater).	<b>And</b> , you will be charged or have deducted from your investment <b>\$30.00 or 0.18% / 18bps</b> in transaction costs each time a transaction occurs on your portfolio in addition to the cost of Portfolio

\* Assuming the additional contribution was made at the end of the year. This example is illustrative only and includes GST.

**Establishment fee - \$0**

**Exit fee - \$0**

### Additional explanation of fees and costs

**Linked Cash Account.** To trade through Openmarkets, you may be required to have a linked cash account (**Cash Account**). This account is necessary for settling transactions and fees related to your Trading Account. To establish your Cash Account and understand how we will manage your funds, please refer to the Client Agreement.

You should also refer to the Cash Account provider's PDS for detailed information regarding the fees applicable to your Cash Account.

**Management Fees and Costs.** Management fees and costs are fees and costs that relate to the administration and operation of the MDA Service include the following fees:

- 1. MDA Service Fee.** This is the fee Openmarkets charges for managing your investments in accordance with your Investment Program. This also includes the administration, reporting and custodial services of your MDA. The MDA Service Fee is the greater of \$880 per annum or 0.88% of your total portfolio balance.

- 2. Indirect Costs.** If a portfolio invests in exchange traded funds, listed investment companies or managed investment schemes (managed funds), the investment managers of these products will charge fees (which may include performance fees) for their services based on the value of your investment (as will the managers of any exchange traded funds, listed investment companies or managed funds in which they invest, and so on.) These indirect costs will vary depending on the portfolio(s) in which your MDA invests. Indirect costs are paid from the assets of each exchange traded fund, listed investment company or managed fund and will be reflected in the share/unit price.

**Performance Fees.** If a portfolio invests in exchange traded funds, listed investment companies or managed funds, the investment managers of these products may charge performance fees. These fees are not paid directly by you, but they do impact the performance of your portfolio.

**Transaction Costs.** Transaction costs include brokerage, settlement costs, buy/sell spreads on investments, clearing and stamp duty costs.

**Buy-Sell Spread.** If a model portfolio invests in underlying managed funds, there will be a difference between the price paid to acquire the investment and the price for which it could be sold at that time. The buy-sell spread is retained by the investment manager, we do not receive any part of it.

**Adviser Fee.** The specific fee payable by you will be disclosed in the Statement of Advice.

**Fee and Cost Changes.** Our MDA Service Fee will be reviewed from time to time. We will provide at least 30 days' notice to you before any increase in the MDA Service Fee.