



Financial Services Guide

CAPITAL19
GLOBAL STOCKS AND OPTIONS

FINANCIAL SERVICES GUIDE

The provider of the services described in this Financial Services Guide is Capital 19 Pty Ltd ABN 17 124 264 366 Australian Financial Services Licence Number: 441891.

Capital 19 Pty Ltd

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IMPORTANT INFORMATION

This Financial Services Guide (“FSG”) is an important document. It provides you with information about Capital 19 Pty Ltd (“Capital 19”, “we”, “us”, or “our”) to help you decide whether to use the financial services we offer. The FSG explains the services and types of products we can offer to you. It also explains how we are remunerated, fees you may be charged, details of any potential conflicts of interest and details of our internal and external complaints handling procedures and how you can access them.

WHO ARE WE?

Capital 19 provides clients in Australia with the ability to purchase listed financial products such as shares, options and futures in market centres all over the world. Our particular focus is on the largest and most liquid stock market of them all – the United States.

Acting as your agent, we will arrange the purchase/sale of securities on an applicable exchange. Capital 19 is not a participant of an exchange and will always engage an executing broker to effect transactions. These executing brokers are clearing participants or they will engage a clearing participant to settle your trades. Capital 19 has executing broker relationships with Interactive Brokers LLC.

WHAT FINANCIAL SERVICES DO WE OFFER?

Any financial services offered will be provided by representatives of Capital 19. Capital 19 is licensed under the Corporations Act to provide these services to you. Our Australian Financial Services License Number is 441891

Capital 19 is authorised to offer the following financial services to both retail and wholesale clients:

- Provide General Financial Products Advice
- Deal in Financial Products

Products we provide general financial product advice and deal in are:

- Deposit Products
- Derivatives
- Foreign Exchange Contracts
- Debentures, stocks or bonds issued by a government
- Interests in managed investment schemes including investor directed portfolio services
- Securities
- Standard Margin Lending Facilities

PROVISION OF GENERAL ADVICE ONLY

You should be aware that any advice given by Capital 19 is general advice only and does not take into account your specific needs or objectives. All of our commentary, statements of opinion and recommendations in relation to financial products have been prepared without taking into account your personal objectives, financial situation or needs. It is up to you to decide whether this is appropriate for you.

OTHER DOCUMENTS YOU MAY RECEIVE FROM US

Product Disclosure Statement

If we make a recommendation to acquire a particular financial product (other than securities such as listed shares), we will also provide you with a Product Disclosure Statement (PDS). The PDS contains information about the particular product including the features, benefits, fees and

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risks associated with that product to assist you in making an informed decision

Capital 19 will not provide Statements of Advice, as it does not give personal financial product advice.

HOW CAN YOU PROVIDE INSTRUCTIONS TO US?

You may route orders directly to Interactive Brokers LLC via their electronic trading platform – Traders Workstation (TWS).

Alternatively you may instruct us to buy or sell investments on your behalf by phone, facsimile, or email. Telephone is the usual method and instructions received by facsimile or email will only be affected once a representative of Capital 19 has acknowledged receipt of those instructions.

All orders will be accepted on a “Good till cancelled” basis unless otherwise instructed. Stop-loss orders are only accepted on a non-guaranteed basis.

Some products in relation to which we provide financial services have their own rules about how to provide instructions or carry out certain transactions. Please refer to the PDS of the relevant product for these details.

WHO IS MY ADVISER?

Every client is assigned a dedicated adviser or a number of advisers if appropriate. These advisers are employees of Capital 19 and are primarily responsible for providing you with the services. Once you have been assigned an adviser you will be provided with the adviser’s contact details.

WHAT ARE WE PAID?

Capital 19 is remunerated directly through the fees we charge you. The executing broker collects these fees at the time of transaction and passes them on to Capital 19. Unless otherwise indicated, prices shown in this FSG include applicable GST.

1. Trade Execution

Fees charged for trade execution are available on our website and will also be sent to you in a Fee Disclosure Document at time of account opening. Our standard trade execution charges are as follows

- US and Canadian securities transactions are

charged per transaction at a rate of \$15 or 2 cents per share, whichever is greater

- Securities transactions for other countries also have a minimum execution level of up to \$20 or 0.3% of trade value, whichever is greater
- Exchange Traded Options are charged on a per contract basis of up to \$30 per contract with a minimum charge of up to \$30 per trade
- Futures are charged on a per contract basis of up to \$25 per contract

2. Foreign Exchange

For margin FX contracts, commission is directly based on the volume transacted by you. The commission rate you will pay is 0.01% of the transaction value with a minimum charge of up to AUD \$20 per transaction.

For example, if you sell AUD500,000 the commission payable would be calculated as:

$$\$500,000 * 0.01\% = \text{AUD}\$50$$

Fees are only charged when the Margin FX Position is opened and closed and not each day when it is “rolled”. Rollover fees are charged based on the prevailing interest rates of the two currencies and an explanation of how this is charged can be found in the interest section.

3. Interest on Long and Short Cash Positions

In certain circumstances, interest may be paid to you or charged to you. Interest rates are calculated in reference to an internationally recognised benchmark interest rate. Capital 19 then applies a spread around that benchmark to calculate your effective interest rate.

Interest is calculated daily and paid/debited to your account on a monthly basis within the first week of the following calendar month. The exact amount of interest paid / received by Capital 19 will vary each day, depending on such factors as changes to the holdings in your portfolio and/or changes to the prevailing interest rate that is applied.

Applicable Interest Rates can be found on the Capital 19 website. www.capital19.com

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Long Currency Balances

If you hold a long currency position (ie a positive currency balance) you may be eligible to earn interest on that balance. Interest is paid based on the overnight cash rate of the currency country, less 2.5%. Please note that if the overnight cash rate is 2.5% or less, you will not be entitled to receive any interest. If the overnight cash rate less 2.5% is negative (eg RBA cash rate is 1.5%, less 2.5%, is -1%), then you will not be required to pay interest.

For example, if you held AUD200,000 cash in your account and the RBA rate was 4.5%, you would receive 2% per annum interest. (4.5% less 2.5%) The interest would be approximately \$10.95 for every day the amount is maintained. ($\$200,000 \times 2\% = \4000 divided by 365)

Long currency cash balances can occur as the result of Margin FX trading or from unutilised funds in your account

Short Currency Balances

If you hold a short currency position (ie a negative currency balance) you will be charged interest on that balance. Interest is charged based on the overnight cash rate of the currency country, plus 2.5%.

For example, if you were short AUD200,000 cash in your account and the RBA rate was 4.5%, you would be charged 7% per annum interest. (4.5% plus 2.5%) The interest charged would be approximately \$38.36 for every day the amount is maintained. ($\$200,000 \times 7\% = \14000 divided by 365)

Short currency cash balances can occur as a result of Margin FX trading or borrowing of funds when using a margin loan to invest in stocks.

4. *Miscellaneous Fees and Charges you might encounter.*

Other fees that you could possibly be charged depending on circumstances are

Market Data Fees

Market data in TWS is available free of charge on a 15 minute delayed basis. If you wish to receive live market data you can subscribe to a feed from the exchange. Each exchange around the world will charge a different fee for

this. You will be notified of this fee prior to your subscription acceptance. These fees are charged by the exchanges themselves and not Capital 19

Multiple Withdrawal Fees

The executing broker charges a fee for multiple fund withdrawals in a calendar month. The first fund withdrawal in a month is free. Subsequent withdrawals in the same month are charged at USD15 per withdrawal. This fee is not charged by Capital 19, but rather by the executing broker.

Stock Transfer Fees

The executing broker charges a fee of USD50 per stock to transfer out of your account. It is free to transfer securities into your account.

Research Subscription Fees

You have the option of subscribing to research from institutions such as Morningstar and Zacks through the TraderWorkstation (TWS). Each institution charges a fee for their research which is disclosed prior to subscribing.

WHAT IS PAID TO OUR EMPLOYEES FOR PROVIDING FINANCIAL SERVICES TO YOU?

Our directors and employees who provide the financial services described in this FSG are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus. Certain representatives, who are not salaried, may receive 0 to 80% of all fees and commissions generated from their clients.

Employees may also be rewarded by monetary and non-monetary benefits which may include shares, conferences and functions (both in Australia and overseas), study support and gifts such as movie and theatre tickets.

It is not possible to determine in advance what (if any) additional benefits any employee will receive as these benefits are not generally attributed to any particular product (that the employee recommends or advises on) or service they provide.

FEES AND COMMISSIONS PAID TO THIRD PARTIES

If you have been referred to us by another party, that other party, may receive an introductory fee or commission in relation to the referral. This fee will vary

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depending on circumstances but will be fully disclosed to you upon request

FURTHER INFORMATION

You may request details of the fees and benefits (including any commissions) that may be payable at any time by contacting Capital 19 on 1300 735 320

YOUR PRIVACY

Capital 19 takes your privacy seriously because we know you do. All personal information is dealt with in accordance with the Capital 19 Privacy Policy. The Capital 19 Privacy Policy details how we comply with the Privacy Act in the handling of your personal information. You can view the Capital 19 Privacy Policy via our website at www.capital19.com. It is important to ensure that the personal information we retain about you is accurate, complete and up-to-date. Accordingly, if you have any concerns about the completeness or accuracy of the information we have about you or would like to access to or amend your information, simply call us on 1300 735 320.

DO ANY RELATIONSHIPS EXIST WITH PRODUCT PROVIDERS WHICH MAY INFLUENCE THE ADVICE BEING GIVEN?

Neither your Adviser nor the Licensee has any association or relationship with the issuers of financial products that might reasonably be expected to be capable of influencing them in the provision of financial services.

WHO CAN I SPEAK TO IF I HAVE A COMPLAINT ABOUT THE SERVICE?

We are committed to providing quality service to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

1. Contact the Compliance Manager at Capital 19

on 1300 735 320 about your complaint. We will try and resolve your complaint quickly and fairly.

2. If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority (AFCA) GPO Box 3, Melbourne, Vic. 3001. Or email info@afca.org.au. We are a member of AFCA's complaints resolution service. The Australian Securities & Investments Commission (ASIC) also has information accessible on 1300 300 630 which you may use to make a complaint or obtain information about your rights.

PROFESSIONAL INDEMNITY INSURANCE

Capital 19 has Professional Indemnity Insurance in place that satisfies the Corporations Act and covers the financial services detailed in this FSG where provided by our authorised employees or representatives.

The limit of the indemnity is \$2 million for any one claim and in the aggregate for all claims arising out of our AFS licence activities. The insurance will cover claims made in relation to the conduct of authorised representatives, representatives and employees who no longer represent Capital 19 (but who did at the time of the relevant conduct). We believe that our Professional Indemnity Insurance cover satisfies the requirements of s.912B of the Corporations Act