

# Financial Services Guide

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## 1. Information about this document

This document is issued by Pershing LLC (Australian Registered Body Number (**ARBN**) 108 110 149, Australian financial services licence (**AFSL**) number 271837).

This Financial Services Guide (**FSG**) sets out information designed to assist you in deciding whether to use any of the financial services that we are authorised to provide to you. You should read this FSG carefully and ensure you understand it. This FSG contains important information about:

- who we are and our relationship with you;
- the financial services we may provide to you as disclosed in this FSG;
- how you may provide us with instructions;
- the remuneration, commissions and other benefits that we receive in respect of the financial services that we provide as disclosed in this FSG; and
- our internal and external dispute resolution procedures and how you can access them.

Together with this FSG, you will have received an FSG and a Fee Schedule from your securities broker (**Broker**). You should read all of these documents before deciding whether to use the financial services that we provide.

## 2. Information about us

In this document, when the terms **Pershing**, **We**, **Our** or **Us** are used, it means Pershing LLC. Pershing LLC is a company registered in Delaware, United States of America and registered as a foreign company in Australia. Pershing LLC is a subsidiary of the Bank of New York Mellon Corporation (**BNY Mellon**). Pershing is a member of the New York Stock Exchange (**NYSE**), the Financial Industry Regulatory Authority (**FINRA**) and the Securities Investor Protection Corporation (**SIPC**).

Our contact details are:

- Address: One Pershing Plaza, Jersey City, New Jersey 07399, United States of America
- Telephone: +1 (201) 413-3330
- Email: PershingLLCAustraliaInquiries@bnymellon.com

### 3. *Information about our relationship with you*

Pershing provides your Broker directly with a range of services under a clearing arrangement. Under this clearing arrangement, your Broker has set up a separate securities account for each of its clients (including you), and we provide custodial and depository services to those clients, as disclosed in this FSG.

*4. What financial services are we authorised to provide to you?*

We are relevantly authorised under our AFSL to provide you with custodial and depository services. We are not authorised to provide these services for financial products held through investor directed portfolio services, nor are we authorised to provide financial product advice, or deal in margin lending facilities to retail clients. We are also not authorised to provide personal financial product advice to retail clients under our AFSL.

*5. Who do we act for when we provide financial services?*

We act for you in providing the custodial and depository services to you. As noted above, we may provide other services to your Broker.

*6. How can you give us instructions?*

To provide instructions to us in relation to the custodial and depository services, you must contact your Broker (and not Pershing directly). For further details, see our Rule 4311 Disclosure Statement, which is available in the material you received following the opening of your account with us.

*7. What relationships do we, and our related bodies corporate, have with product issuers which might reasonably be expected to be capable of influencing us when providing the financial services?*

Pershing and its related bodies corporate may, as part of Pershing's overall business arrangements, enter into relationships with product issuers, such as mutual funds, under which Pershing may receive reimbursement for the cost of producing such things as trade confirmations, statements, and tax reports to you, or other benefits as a result of making these products or services available through your Broker. Given the nature and limited range of the financial services Pershing is providing on behalf of your account, Pershing does not consider that these relationships could reasonably be expected to have any influence on the way it provides these particular services.

However, to assist you in considering this question, information about payment for order flow, fees received from related bodies corporate and other matters that could be considered a conflict are disclosed in the Pershing LLC Disclosure Statement (which has been sent to you separately and can be found at:

<http://www.pershing.com/disclosurestatement.html>). Additional disclosure information is also available at [http://www.pershing.com/business\\_continuity.html](http://www.pershing.com/business_continuity.html).

*8. How are we remunerated? How are these fees, commissions or other benefits calculated?*

Fees for custodial and depository services that we provide to you

Under the clearing arrangement between us and your Broker, your Broker pays us a fee for providing you with the custodial and depository services. Your Broker decides the extent to which it passes on this fee to you. Information concerning the fees passed onto you may be obtained from your Broker.

Fees for other services provided to your Broker under the clearing arrangement

You should also be aware that certain fees relating to the services that we provide to your Broker under the clearing arrangement, in addition to the custodial services that we provide to you, may, as agreed between us and your Broker, be charged directly to your account by your Broker and disclosed to you in the Broker's Fee Schedule.

Further information

For further details about these fees, see the Fee Schedule provided by your Broker. You may also, within a reasonable time after being given the FSG and before any financial service set out in this FSG is provided to you, contact us using the contact details set out in section 2 above for further details.

*10. How are our representatives remunerated?*

Pershing's representatives who provide the financial services referred to in this FSG receive a salary and do not directly receive commissions or any remuneration calculated by reference to the amount of fees received by Pershing.

They may also be entitled to a bonus or other employment benefit based upon performance and achievement of various objectives by both the employee and Pershing.

*11. Does Pershing pay any referral or introduction fees?*

Pershing will not pay any third party a fee for referring your Broker to us.

*12. Who can you contact if you have a complaint?*

If you have any complaints concerning services provided to you by us, you can contact our internal dispute resolution team in writing or over the phone at: Phone #

Complaints  
Pershing LLC  
Office of the General Counsel  
One Pershing Plaza  
Jersey City, NJ 07399

Email:  
PershingLLCAustraliaInquiries@bnymellon.com

Telephone: +1 (201) 413-3330

You should describe the circumstances that gave rise to your complaint. We hope to resolve your issues efficiently, honestly and fairly through this contact.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services complaint resolution that is free to you. You can contact AFCA at:

Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678 (free call)  
Mail: Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA so you should act promptly or otherwise consult the AFCA websites to find out if or when the time limit relevant to your circumstances expires.

*13. Who can you contact if you have questions about this FSG or require further information?*

Questions and requests for further information may be directed to your Broker. You may also contact us directly via the contact details set out in section 2 above.

*14. Do we collect your personal information and do we have a privacy policy regarding your personal information?*

We may use personal information collected from or about you with a view of ensuring that the services that we provide to you comply with our legal obligations.

Pershing and/or its agents may also disclose the personal information collected from or about you to third parties such as mailing houses or others who provide services to us (but will not do so for marketing purposes). Pershing will not disclose your information to any other person except where that disclosure is authorised or permitted by the Australian Privacy Principles or by law.

At Pershing, we recognize the importance of protecting your privacy and have policies in place to maintain the confidentiality and security of any of your personal information collected and to ensure that it is handled in accordance with the requirements of the Privacy Act (*Cth*) 1988. A copy of our privacy policies can be obtained by visiting the Pershing LLC website at:

***<https://www.pershing.com/privacy-policy>***

If you have any questions about privacy, please contact our Privacy Officer using the contact details in section 2 above.

*15. What kind of **compensation** arrangements do we have in place?*

Pershing holds professional indemnity insurance as required under section 912B of the Corporations Act.

*16. How does Pershing hold client money?*

Client money is money that is paid by, or on behalf of, a client to the AFSL holder in connection with a financial service provided to, or a financial product held by, the client. Client money is generally required to be held by an AFSL holder in accordance with the requirements set out in section 981B of the Corporations Act.

However, Pershing has obtained an exemption from the need to comply with the requirements of section 981B, from the Australian Securities and Investments Commission (**ASIC**), on condition that:

- it holds any client money in accounts in the name of Pershing at a bank incorporated in the United States;

- the bank is regulated by the Federal Reserve Board; and
- in relation to the client money, Pershing is subject to regulation by the United States Securities and Exchange Commission and under the Securities Investor Protection Act of 1970.

Pershing will hold your money this way, rather than in accordance with section 981B. However, Pershing is prohibited under U.S. law, from using the cash to finance its own investments.

Under the ASIC exemption, we are also required to provide you with the following information about our alternative arrangements.

#### Risks associated with holding money this way

One risk you will incur is that access to your cash may be interrupted in the event of Pershing's insolvency. As this money would be held in U.S. dollars, or other currency, you would also face exchange rate risk at the time payment may be made to you. The U.S. laws and regulations which govern how Pershing maintains custody of your cash differ from the laws and regulations to which other Australian financial services licensed dealers are subject. Your rights to recover your cash in the event of Pershing's insolvency may differ from the rights you would have in the event of our insolvency without Pershing's exemption from section 981B of the Corporations Act 2001.

#### **Australian law**

- If Pershing did not have an exemption from section 981B and breached that section, your right to recover your cash held by Pershing would be limited to the amount, if any, in any section 981B accounts and any other cash held by Pershing as part of its business.
- Any monies held in the section 981B account would be held on trust for all customers (see the next paragraph). Any other cash held by Pershing would be available to you as an unsecured creditor such that you would rank behind any secured creditors of Pershing or any

other creditors ranking in priority to unsecured creditors.

- If Pershing became insolvent or ceased to be licensed (for example, because ASIC cancelled or suspended its licence), the money held in the section 981B account would be applied first to any person who paid the money to Pershing in error, secondly to any person who is insured by Pershing and thirdly to you. If there is not enough money in the account to pay all of Pershing's customers or clients, it would be paid out in proportion to each customer's or client's entitlement.

## **US Law**

Although we will not hold client money in a section 981B account, our insurance arrangements and US law also provide various rights and remedies to our clients in the event of a default by us in relation to any client money it holds.

### *Federal investor protection schemes*

The federal securities laws of the United States and FINRA which apply to Pershing also provide an extensive investor protection scheme that should ensure the availability of your securities and cash which are in Pershing's custody and your recovery of those securities and cash in the event of Pershing's insolvency.

SEC rules, for example, require Pershing to maintain minimum net capital. SEC rules also permit Pershing the use of your cash which we hold to assist you or other customers in financing customer investments. Those rules require Pershing to maintain sufficient cash reserves to satisfy any amounts it owes to customers and to make those funds available to you promptly.

### *Insurance coverage*

Pershing is a member of the Securities Investor Protection Corporation (*SIPC*). As a result, securities in your account are protected up to USD\$500,000 (of which USD\$250,000 can be for claims for cash awaiting reinvestment). For details, please see [www.sipc.org](http://www.sipc.org). In the event of Pershing's insolvency,

you would have a priority claim to your money and securities held in custody by Pershing.

In the event of Pershing's insolvency, a U.S. bankruptcy court would appoint a SIPC trustee, who will notify you by mail of your rights to recover your assets under U.S. law and how to make a claim for those assets. More information on SIPC protection can be found at [www.SIPC.org](http://www.SIPC.org).

In addition to the SIPC coverage, Pershing has also obtained coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC insurance program is valid for Pershing LLC accounts and is renewable annually. It provides the following protection for Pershing's global client assets:

- An aggregate loss limit of USD\$1 billion for eligible securities-over all client accounts
- A per-client loss limit of USD\$1.9 million for cash awaiting reinvestment-within the aggregate loss limit of USD\$1 billion.<sup>1</sup>

You should be aware that SIPC and the excess of SIPC insurance policy do not protect you against losses arising from market fluctuations.

However, access to this policy would only arise if Pershing failed financially and client assets for covered accounts, as set forth on SIPC's website, cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules. More information about the excess insurance can be found at [http://www.pershing.com/strength\\_stability.html](http://www.pershing.com/strength_stability.html)

## 17. *FSG does not constitute advice*

The information presented in this FSG does not constitute financial product advice, legal advice

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<sup>1</sup> Pershing may decide not to renew the excess of SIPC insurance program in any year. If Pershing does not renew the program, these protections will not apply. You may obtain details of the status of the program from your Broker.



and/or tax advice and, as such, it does not take into account the financial objectives, situation or needs of the recipient of, or any other person using the information presented in, this FSG. We will not provide you with a Statement of Advice.

No part of this FSG shall be construed as creating a fiduciary, financial or other advisory relationship between Pershing and the recipient of, or any other person using the information in, this FSG.

Pershing recommends that you seek your own financial, legal and/or tax advice (as appropriate) before obtaining any financial services from us.