

Dealing Services Financial Services Guide

Morgan Stanley Wealth Management Australia Pty Ltd

ABN 19 009 145 555

AFSL 240813

Level 26 Chifley Tower, 2 Chifley Square, Sydney NSW 2000

This Financial Services Guide (“FSG”) is issued by Morgan Stanley Wealth Management Australia Pty Ltd (ABN 19 009 145 555) (referred to in this FSG as “Morgan Stanley Wealth Management”, “we”, “our” or “us”). This FSG for dealing services is an important document and a regulatory requirement under the *Corporations Act 2001* (Cth) (“Corporations Act”).

It provides financial planning clients (“you”) with information about:

- *who we are and how we can be contacted;*
- *the financial products and services we are authorised to provide you;*
- *how we (and any other relevant parties) are remunerated;*
- *our internal and external complaints handling procedures and how you can access them; and*
- *our information collection statement.*

This FSG for dealing services sets out the dealing services we provide and is designed to assist you to decide whether to use our dealing services. We have included our terms of business and terms of our sponsorship agreement which are relevant documents to the dealing services.

Other documents you may receive from us are:

Product Disclosure Statement, Prospectus and Other Offer Documents

If we recommend that you acquire a particular financial product or offer to issue, or arrange for the issue of a financial product, we will also provide you with a Product Disclosure Statement (“PDS”), a prospectus or another offer document, as applicable. These documents contain information such as the features, fees, benefits and risks in respect of the particular product. This information is necessary to assist you in making an informed decision about the relevant financial product.

Best Execution Policy Disclosure Statement

Morgan Stanley Wealth Management has adopted a policy in relation to its best execution obligations under the *ASIC Market Integrity Rules (Competition in Exchange Markets) 2011* (“Competition Market Integrity Rules”). In accordance with the Competition Market Integrity Rules we will provide you with a Best Execution Policy Disclosure Statement to assist you in determining whether to instruct us to handle and execute orders for financial products that are within the scope of the best execution obligations prior to handling or executing any such orders. We will also notify our clients of any material changes made to our best execution arrangements. A copy of our Best Execution Policy Disclosure Statement is also maintained on our website at www.morganstanley.com.au.

Who is responsible for financial services provided to you?

Morgan Stanley Wealth Management is responsible for the dealing services described in this FSG. Morgan Stanley Wealth Management is not responsible for any other financial services you may receive from your external financial adviser (i.e. a financial adviser who is not employed by Morgan Stanley Wealth Management) or dealer group. Your external financial adviser or dealer group will be responsible for all other financial services you may receive from time to time.

Morgan Stanley Wealth Management is a Participant of ASX Group, a clearing participant of ASX Clear Pty Limited and a settlement participant of ASX Settlement Pty Limited. Morgan Stanley Wealth Management is able to provide a range of investment, advisory, financial planning and stockbroking services to individuals, superannuation funds and trusts, companies and other entities.

Contact details

You may contact Morgan Stanley Wealth Management by:

- *speaking to your financial planner or adviser*
- *calling us on 13 13 70, if you do not have a financial adviser*
- *visiting our website at www.morganstanley.com.au*
- *writing or emailing us at the addresses shown on the back cover of this FSG.*

Who is your dealer?

Morgan Stanley Wealth Management provides all dealing services to you.

What financial services are Morgan Stanley Wealth Management authorised to provide?

Morgan Stanley Wealth Management is authorised by its Australian Financial Services Licence to provide, or arrange to provide, a number of financial products and services.

The financial products and services we provide under this FSG are limited to dealing and arranging for a person to deal in:

- *Securities*
- *Derivatives, including warrants*
- *Certain deposit and payment products.*

How you can transact with us

Transactions are referred to Morgan Stanley Wealth Management by your financial planner or adviser. When dealing with Morgan Stanley Wealth Management, your financial planner or adviser is acting as your agent. Morgan Stanley Wealth Management will accept instructions from your financial planner or adviser to open an account, enter into transactions on your behalf and operate your account generally, without referring to you for instructions directly. It is your financial planner or adviser's responsibility to ensure that all instructions provided to Morgan Stanley Wealth Management are authorised and properly authenticated. Morgan Stanley Wealth Management accepts no responsibility for any instructions it receives in good faith from your financial planner or adviser on your behalf, including any that are unauthorised or inauthentic.

How we are remunerated for the services we provide

Morgan Stanley Wealth Management will charge you a fee for the dealing services provided to you. The fee will be transaction based.

Transaction based fee arrangement

Under a transaction based fee arrangement, Morgan Stanley Wealth Management will charge you a commission on transactions undertaken based on the value of the securities bought or sold. You will be advised by your financial planner or adviser of the rate of commission Morgan Stanley Wealth Management will charge when you open an account with us and of any changes to our commission rates from time to time. A minimum charge, of which you will be advised, may apply to some transactions. The commission fee will also be disclosed to you in the confirmation of the transaction, which you will receive from Morgan Stanley Wealth Management.

How are our dealing staff remunerated?

Morgan Stanley Wealth Management dealing staff are remunerated on a base salary plus commission basis and may also receive a bonus under a balanced scorecard bonus plan. An annual total commission is payable once the dealing staff member's base salary is covered and ranges from zero to 57% of the fees and other revenue received by Morgan Stanley Wealth Management which are attributable to the dealing staff ("Attributable Fees"), less any applicable fees and deductions. The exact rate is determined by reference to the brokerage and fee revenue generated by the dealing staff member for Morgan Stanley Wealth Management over the course of the financial year. Applicable fees and deductions may include referral fees, business development costs, discount adjustments for any fees charged which are below Morgan Stanley Wealth Management's standard fee schedule as well as any other costs that are incurred by Morgan Stanley Wealth Management. Dealing staff may also be eligible to receive an annual incentive benefit of up to 20% of Attributable Fees based upon factors including but not limited to achieving revenue targets, regulatory compliance and customer satisfaction.

If dealing staff perform additional managerial roles for Morgan Stanley Wealth Management, they will be eligible to receive the commission referred to above in addition to their base salary. In addition to this, they will be eligible to receive a discretionary bonus based on their performance in their managerial role.

Dealing staff remuneration is only paid where permitted under the Government's Future of Financial Advice ("FOFA") reforms, for example where the payment is made under a grandfathered arrangement, where it relates to exempt remuneration such as brokerage and insurance commission, where you have consented to the payment being made or where it is made under a balanced scorecard bonus plan.

This commission will be a commission net of any rebates paid to your financial planner or adviser.

Referral fees

Where you have been referred to us by a third party (such as a financial planning group or accountant), we may, where permitted by law, pay an introductory fee or commission rebate in relation to the referral.

All introductory fees or commission rebates are negotiated with the third party on a case by case basis and may be up to 75% of our charges. Please refer to the FSG or SOA provided by the relevant third party for more detailed information on payments (if any) payable.

What you should do if you have a complaint.

Morgan Stanley Wealth Management is committed to a high level of client service and responding to any concerns or complaints promptly, fairly, consistently and in a professional manner.

If you have any concerns about the products or services provided to you, we encourage you to discuss the matter with your financial adviser or their State Manager.

If you are not satisfied with the response you receive, you can call Morgan Stanley Wealth Management on 1800 008 161 and provide details of your complaint to the Compliance Manager.

- *If you would like to provide a written complaint, please forward your written complaint to:*

*The Compliance Manager
Morgan Stanley Wealth Management
Level 26 Chifley Tower
2 Chifley Square
SYDNEY NSW 2000*

We will confirm in writing that your complaint has been received. The complaint will be investigated and a response provided within 45 days.

If further investigation is required, it will be carried out and then you will be notified of a proposed remedy. This will be confirmed to you in writing.

External complaint services and regulatory bodies

If you have made a complaint and have not received a response within 45 days; or if you are unhappy with the proposed resolution; you have the right to take your complaint to the Financial Ombudsman Service (“FOS”) if you are a retail client (as defined under the Corporations Act). FOS is an independent complaints resolution body to which Morgan Stanley Wealth Management is a member. This independent service is provided to you free of charge.

Complaints made to FOS are subject to monetary limits. For more information relating to FOS, please contact:

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Tel: 1300 78 08 08
Fax: (03) 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

If your concerns involve financial planning and the ethical conduct of services provided under financial planning, you may also wish to consider raising your concerns in writing with the FPA. They can be contacted at:

The Investigations Manager
Financial Planning Association of Australia
GPO Box 4285
Sydney NSW 2001

The Australian Securities and Investments Commission (“ASIC”) also provides a freecall information line that you may use to make a complaint and obtain information about your rights. This number is 1300 300 630.

Insurance arrangements

Morgan Stanley Wealth Management has professional indemnity insurance which we consider satisfies the requirements of s912B of the Corporations Act and is adequate having regard to:

- *The volume and types of business carried on by us, the number and types of clients, the number of our representatives; and*
- *any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the FOS scheme.*

The arrangement covers claims made in relation to conduct occurring on or after 1 June 2009.

The National Guarantee Fund (“NGF”)

The NGF is an external fund set up to provide compensation for valid claims arising from dealings with Stockbrokers. The circumstances of when this fund may be available to you is set out in appropriate legislation.

To make a claim on the NGF you need to refer to the “NGF Information Booklet” available on the SEGC website at www.segc.com.au.

Please note - the NGF does not cover all financial products. For example, it excludes ASX exchange traded options and monies in a Cash Management Account that may be associated with Morgan Stanley Wealth Management.

Information Collection Statement

Morgan Stanley Wealth Management collects, holds, uses and discloses your information (including your personal information) for various purposes including providing you with financial products and services that help meet your financial needs and objectives, administering and operating those services, carrying out credit and other background checks, marketing products and services to you, exercising and defending its legal rights, complying with its legal and regulatory obligations anywhere in the world, improving, supporting and enhancing its products and services, internal training, monitoring and other legitimate business purposes.

Morgan Stanley Wealth Management may disclose your information (including your personal information) to its associated firms, vendors or other persons processing your information on its behalf (e.g. credit reporting agencies). Disclosure to these entities may involve the disclosure of your information outside Australia to countries which do not offer the same level of protection as may be enjoyed in Australia.

Morgan Stanley Wealth Management’s privacy policy (‘Privacy Policy’) contains further details on its information handling practices and explains in more detail what personal information it collects, methods of collection, purposes of collection, retention, use and disclosure, when it may disclose your personal information, who it discloses your personal information to, the countries it may disclose your personal information to and how you may opt out from receiving marketing information. The Privacy Policy also explains your rights including how you may access and request correction of your personal information or complain about a breach of the Australian Privacy Principles by Morgan Stanley Wealth Management. The Privacy Policy is available at www.morganstanley.com.au/privacypolicy.

Before providing us with any information regarding an individual other than yourself, you should ensure that he or she knows that you will be providing his or her information to us and is aware of and has access to the information contained in this Information Collection Statement regarding our collection, use, processing, disclosure and overseas disclosure of his or her information, his or her data protection rights and the possibility of monitoring or recording of his or her communications.

Morgan Stanley Wealth Management

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ABN 19 009 145 555

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