

Financial Services Guide

Morgan Stanley Wealth Management Australia Pty Ltd

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AFSL 240813

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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 is an important document and a regulatory requirement under the *Corporations Act 2001* (Cth) (“Corporations Act”).

The purpose of this FSG is to assist you in determining whether to use any of our financial services or products, and to also provide you with information about:

- *who we are and how we can be contacted;*
- *documents you may receive from your financial adviser;*
- *the financial products and services we are authorised to provide;*
- *how we (and any other relevant parties) are remunerated;*
- *our relationships and associations;*
- *any potential conflicts of interest we may have;*
- *our internal and external complaints handling procedures and how you can access them; and*
- *our information collection statement.*

Should you choose to use any of our financial services and products, you may also receive other documents relevant to the services or products, which you should also read carefully.

WARNING: Nothing contained in this FSG constitutes the giving of personal financial product advice or a recommendation concerning an investment in a particular financial product. In preparing this FSG, Morgan Stanley Wealth Management has not taken into account the investment objectives, financial situation or particular needs of any individual client. This FSG only contains factual information or general advice. Before making a decision whether to invest in a particular financial product you should speak to your financial adviser and obtain independent

tax advice taking into account your own particular needs, objectives and financial circumstances.

Other documents you may receive from us are:

Statement of Advice

If you are a retail client (as defined in the Corporations Act) and we provide you with any personal advice, your financial adviser will give you a Statement of Advice (“SOA”). An SOA is a written record of personal advice provided to you. Personal advice is advice that we provide after taking into account one or more of your personal objectives, financial situation and needs. Personal advice is different from general advice.

The SOA will contain:

- *the advice given;*
- *the basis on which the advice is given;*
- *information about remuneration, commissions and fees that may be received; and*
- *any associations or relationships that may have influenced the provision of the advice.*

You should read the warnings contained in the SOA carefully before making any decision based on the advice contained in the SOA.

Where additional or further advice is given on any financial product, which is consistent with the SOA previously provided to you, no additional SOA is required. However, we will record any further personal advice that we give you. The Record of Advice (“ROA”) can be obtained by contacting your financial adviser or the State Manager. You can request a copy of the ROA at any time within seven years from the date on which the advice was given.

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, a prospectus or another offer document (“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 (Securities Markets) 2017* (“Market Integrity Rules”). In accordance with the 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.

Help your financial adviser to give you the most appropriate advice

If you are a retail client (as defined in the Corporations Act) the provision of personal advice to you is governed by a duty to act in your best interests and provide you with appropriate advice. Providing your financial adviser with sufficient information on which to base any personal advice provided to you will ensure your financial adviser is in a position to act in your best interests and provide you with the most appropriate personal advice.

In order for your financial adviser to provide you with personal advice, you will need to provide details of your personal objectives, current financial situation, needs and other relevant information (collectively referred to as, “Personal Circumstances”). The ability of your financial adviser to provide appropriate advice for your circumstances is dependent on you providing complete and accurate information about your Personal Circumstances by completing the ‘Account Profile’ which will be provided to you by your financial adviser. This information will be kept strictly confidential, unless disclosure is required by law.

After you have provided this information, you should tell your financial adviser about any relevant changes to your Personal Circumstances to ensure that the advice provided to you continues to remain appropriate.

We strongly recommend that you provide your financial adviser with complete, accurate and current information about your Personal Circumstances. If you do not provide complete information or the information you provide is inaccurate, your financial adviser will need to make further inquiries in relation to your Personal Circumstances prior to being able to provide you with personal advice and will be limited in their ability to make recommendations relevant to your needs. You should consider the appropriateness of any advice that is given based on incomplete or inaccurate information about your Personal Circumstances. Morgan Stanley Wealth Management or any related body corporate or representative does not accept any liability for advice given

on the basis of inaccurate, out of date or incomplete information about your Personal Circumstances.

Who is responsible for the financial services provided to you?

Morgan Stanley Wealth Management is responsible for the financial services described in this FSG. Any financial services offered will generally be provided by representatives of Morgan Stanley Wealth Management. 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 stock-broking 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 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 will give you advice?

Your financial adviser may give you advice. Your financial adviser is an approved representative of Morgan Stanley Wealth Management and we are responsible for any advice they provide to you.

Authorised Financial Services

Morgan Stanley Wealth Management is authorised by its Australian Financial Services Licence to provide, or arrange to provide, the financial products and services set out in this FSG.

We are authorised to advise (both general and personal advice) and deal and arrange for a person to deal in:

- *Securities*
- *Derivatives*
- *Standard margin lending facilities*
- *Foreign exchange contracts*
- *Government debentures, stocks or bonds*
- *Retirement savings account products*
- *Superannuation*
- *Managed investment schemes, including investor directed portfolio services and MDA services*
- *Deposit and payment products, including basic deposit products, non-basic deposit products and non-cash payment products*
- *General insurance products*
- *Life products*
- *Miscellaneous financial investment products limited to MDA Services*

Morgan Stanley Wealth Management is authorised to make a market in:

- *Derivatives*
- *Foreign exchange contracts*
- *Government bonds and debentures*
- *Other financial products.*

Morgan Stanley Wealth Management also provides a custodial or depository service through its nominee company.

Morgan Stanley Wealth Management may at any time provide any one or more of these financial services (either separately or concurrently) to you.

Morgan Stanley Wealth Management financial advisers have different levels of accreditation that allows them to advise on some or all of the products and services noted above. Your financial adviser can provide you with further details of their accreditation levels and the type of advice they can offer.

Our products and services

In Australia, Morgan Stanley Wealth Management provides private client investors with access to a comprehensive range of financial products and services, including:

- *Domestic and international equities*
- *Access to new floats ("IPOs"), new issues and placements*
- *Term deposits and fixed income investments*
- *Listed property trusts*
- *Managed funds*
- *Listed options and warrants*
- *Cash management accounts*
- *Margin lending*
- *Financial planning*
- *Managed discretionary account services*
- *DIY Superannuation*
- *Detailed research from affiliates of Morgan Stanley Wealth Management*
- *Portfolio reporting and administration services*
- *Online access for both Australian and international trading accounts*

Products and services are not limited to products offered by Morgan Stanley Wealth Management and/or its subsidiaries and/or its affiliates. Furthermore, your financial adviser is not required to place any portion of investments with any subsidiary and/or associate of Morgan Stanley Wealth Management.

How you can instruct us

If you wish to update us with information relating to your account or give us instructions, you may do so in person, by telephone, mail, email or facsimile. When orders or information are provided by facsimile or email, the order or information is not considered to have been received by Morgan Stanley Wealth Management until confirmation of receipt is communicated by your financial adviser to you.

Please note that certain information such as changes to banking details must be advised in writing.

How we are remunerated for the services we provide

Morgan Stanley Wealth Management will charge you a fee for the services provided to you. The fee may be transaction based or asset based or a combination of both. In addition to a transaction or asset based fee, we may also charge you an annual account administration fee. Generally this fee will be payable annually in advance. You will be advised of the amount of the fee when you open an account with us or when it is first charged, and of any changes to that fee from time to time.

Transaction based fee arrangement

Under a transaction based fee arrangement, Morgan Stanley Wealth Management will charge you 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. You will be advised of the rate of commission when you open an account with us and of any changes to our commission rates from time to time. The commission fee will also be disclosed to you in the confirmation of the transaction, which you will receive from Morgan Stanley Wealth Management.

Asset based fee arrangement

Under an asset based fee arrangement, Morgan Stanley Wealth Management will charge you a regular fee that is a flat dollar amount or is based on the value of assets in your account. A minimum charge may apply.

Other fees, taxes and commissions

Fees may also be payable for the provision of services such as preparation of a financial plan or the provision of custody arrangements or an administrative service. These fees are subject to negotiation with your financial adviser and may depend on such variables as funds invested, number of products, complexity of the service or plan or the exact service provided. Your financial adviser will inform you of these fees prior to the provision of the relevant service.

Goods and Services Tax ("GST") is levied on fees charged to persons who are Australian residents for tax purposes.

Where permitted by law, Morgan Stanley Wealth Management may also receive commission, volume bonuses and other incentives from fund managers and product issuers (including Morgan Stanley Wealth Management and/or its affiliates) and life insurance providers whose products we recommend to you. These commissions, volume bonuses and other incentives from fund managers and product issuers should be disclosed in the relevant Offer Document. Your financial adviser will explain to you the level of commissions at the time of making the recommendation. This will be disclosed to you in writing in the SOA (where applicable) provided by the financial adviser. The commissions we receive are usually a percentage of the fund manager's initial and/or ongoing fees. Commissions received by Morgan Stanley Wealth Management should be described in the Offer Document for those products that we recommend. Your financial adviser will explain to you how those commissions are calculated at the time of making the recommendation. When acquiring interests in managed funds we may or may not be paid an upfront commission by the fund manager. Where applicable, that initial commission is generally in the range of 0.5% to 5% of the amount you invest. We may also receive an ongoing trail commission. This amount may vary and is typically 0.25% to 1% per annum of the value of your holdings in the product for as long as you continue to hold the product.

When acquiring financial products other than managed funds, we may or may not be paid an upfront commission by the product issuer, where permitted by law, that up front commission is generally in the range of 0% to 5% per annum calculated on the amount you invest. We may also receive an ongoing trail commission. This amount may vary and is typically 0.2% to 0.4% per annum of the value of your holdings in the product for as long as you continue to hold the product.

How are our financial advisers remunerated?

Adviser remuneration is paid by Morgan Stanley Wealth Management where permitted by the law. Your financial adviser is 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 financial adviser'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 financial adviser ("Attributable Fees"), less any applicable fees and deductions. The exact rate is determined by reference to brokerage and fee revenue generated by your financial adviser 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.

Your financial adviser 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 your financial adviser performs 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.

Managerial, paraplanning and other administrative staff may receive a bonus as part of their remuneration. The bonus is entirely at the discretion of management.

Morgan Stanley Wealth Management employees and directors receive salaries, bonuses based on performance criteria and other benefits from us.

The Offer Document for the particular product should disclose further details of remuneration paid to Morgan Stanley Wealth Management.

Your financial adviser is also required to set out the remuneration and commissions they receive in the SOA, which they must give to you when providing personal advice.

Referral fees

Where you have been referred to us by a third party (such as a financial planning group or accountant), we may 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.

Potential conflicts of interest we may have

You have the right to be advised of any material interest that your financial adviser, Morgan Stanley Wealth Management or any of their associates or affiliates may have in relation to the financial products offered or recommended to you. Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

Accordingly, you should be aware that:

- *Morgan Stanley Wealth Management's financial advisers are remunerated, wholly or in part, on a commission basis.*

- *If you have been referred to us by a third party, that person may receive a share of brokerage charged to you. Your financial adviser will provide you with more details and will disclose any other material interest when he or she makes specific recommendations.*
- *Affiliates of Morgan Stanley Wealth Management may invest in securities or derivatives of securities of entities in which we advise or deal.*
- *Affiliates of Morgan Stanley Wealth Management may from time to time issue financial products that are recommended or distributed by us.*
- *Affiliates of Morgan Stanley Wealth Management may do business that relates to securities or derivatives of securities of entities in which we advise or deal, including market making and specialised trading, risk arbitrage and other proprietary trading, funds management, commercial banking, extension of credit, investment services and investment banking.*
- *We may also trade financial products on our own account.*
- *When we recommend margin lending products to you, we or Morgan Stanley or our respective affiliates may from time to time receive varying commissions. This information is disclosed in the terms of the relevant margin lending facility.*

We will however, ensure that priority is given to your interests when recommending financial products and that all the advice we give is in your best interests.

Associations with related product issuers

Morgan Stanley Wealth Management is an affiliate of Morgan Stanley. Therefore it is very likely that we are associated with the issuer of the various financial products we may recommend to you from time to time if the relevant issuer is an affiliate company of Morgan Stanley.

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 service

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 may have the right to take your complaint to the Australian Financial Complaints Authority (“AFCA”).

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

Australian Financial Complaints Authority (AFCA)

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

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 AFCA 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 or arranging to provide you with financial products and services that help meet your financial needs and objectives, administering or managing those products or services, carrying out credit and other background checks, marketing products and services to you, improving, supporting and enhancing its products and services, and for internal training. Your personal information may also be used to comply with legal and regulatory obligations anywhere in the world, to exercise and defend any legal rights, for monitoring and other legitimate business purposes. If you do not provide the information requested, Morgan Stanley Wealth Management may not be able to provide (or arrange to provide) a product or service to you.

Morgan Stanley Wealth Management may disclose your personal information to its associated firms, affiliates, subsidiaries, agents and other third parties it authorises (collectively, “Morgan Stanley Group”) for any of the above mentioned purposes. The Morgan Stanley Group transfers, processes and stores your personal information in any country where the Morgan Stanley

Group has offices which may be located outside Australia. These jurisdictions may provide different levels of protection for personal information and may not offer the same level of protection as may be enjoyed in Australia. Your information may also be disclosed to government agencies and regulators in Australia and outside Australia where this is required under applicable law. The Morgan Stanley Group may also disclose your personal information to vendors who conduct operational, technological and customer service functions, or to other persons who process your personal information on behalf of the Morgan Stanley Group (such as credit reporting agencies).

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. You should also refer to the Morgan Stanley global privacy policy for further information on how the Morgan Stanley Group handles your personal information outside Australia, including details of the jurisdictions to which your information may be transferred. The global privacy policy is available at <https://www.morganstanley.com/privacy-pledge.html>. Both privacy policies are updated from time to time.

Before providing Morgan Stanley Wealth Management with any information regarding an individual other than yourself, you must make the other individual aware that you have provided information about that individual to Morgan Stanley Wealth Management. You should ensure that the other individual is aware of, and has been provided access to, information contained in this Information Collection Statement as well as the privacy policy regarding Morgan Stanley Wealth Management’s collection, use, processing, disclosure and overseas disclosure of the individual’s information, that individual’s data protection rights and the possibility of monitoring that individual’s communications. You must also obtain express consent from the other individual in a form that may be produced on request if you provide Morgan Stanley Wealth Management with the other individual’s identification document details for confirmation by the Morgan Stanley Group with the Australian Government’s Document Verification Service, a national online system that allows organisations to compare an individual’s identifying information with a government record.

Morgan Stanley Wealth Management

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Sydney

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