



WALKER CAPITAL

## Financial Services Guide

### Walker Consulting (Australia) Pty Ltd trading as Walker Capital Australia

ABN: 26 602 952 116

Authorised Representative No. 1250196

#### Sanlam Private Wealth Pty Ltd

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This Financial Services Guide (FSG) is provided to you by Walker Consulting (Australia) Pty Ltd trading as Walker Capital Australia A.C.N 602 952 116 ("**Walker Capital**", **we, our, us**) to inform you of the financial services provided by us and to comply with our obligations as the an Authorised Representative of Sanlam Private Wealth Pty Ltd ("**Sanlam Private Wealth**") which is the holder of an Australian Financial Services Licence (AFS Licence No. 337927).

This FSG is meant to assist you to decide whether to use our services and to explain:

- who we are;
- what financial services we provide and the products to which those services relate;
- what our responsibilities are and what type of advice we give;
- how you can instruct us;
- what you can expect to pay for the financial services;
- what remuneration and other benefits may be paid to us, our employees or others;
- what to do if you have a complaint, and how it will be dealt with;
- for what purpose we use your contact data; and
- how you can contact us.

This FSG contains only general information about the services we offer. If you still have any questions after reading this FSG, please contact us. Our contact details are listed on the cover page of this document.

#### **WHAT OTHER DISCLOSURE DOCUMENTS AND STATEMENTS WILL I RECEIVE?**

Although it is not our policy to provide personal advice, if we do provide you with personal advice or further assistance in selecting products or services having regard to your personal and financial circumstances, needs or objectives, we will, where we are required to do so under the law, issue you with a **Statement of Advice** (SoA) that will set out the personal advice we have given you, including any recommendations we offer along with our rationale for our recommendations and information about any fees, commissions, associations or relationships which might influence the provision of that advice.

If we provide to you a SoA, we may provide further advice to you after we have given you a SoA. If we have not provided you with a record of the further advice you may request, either verbally or in writing, a record of further advice within 7 years (or as prescribed by law) of us providing the further advice.

Generally, where we arrange for the issue of a financial product to you, you will receive a **Product Disclosure Statement** (PDS) or other relevant disclosure documents that include information about the product so that you can make an informed decision whether to acquire the product. It would include any relevant terms, significant risks and costs associated with the supply of that financial product.

#### **HOW YOU CAN INSTRUCT US AND YOUR OBLIGATIONS?**

We will accept order instructions via telephone, email or facsimile.

You must check and confirm with us that orders sent via fax or email, have in fact been received by us.

You must review any confirmation or statement we send to you immediately upon receipt to ensure its accuracy and report any discrepancies to us.

If you have opened a Managed Discretionary Account with Sanlam you will be able to contact us by telephone, email or facsimile to provide instructions relating to your portfolio assets or any corporate actions.

#### **WHO ARE WE AND WHAT SERVICES ARE WE AUTHORISED TO PROVIDE?**

Walker Capital (AR Number 1250196) is responsible for the Financial Services described in this guide.



Walker Capital and its employees and directors are authorised representatives of Sanlam Private Wealth Pty Ltd, AFS Licence Number: 337927.

Walker Capital is a representative of, and acts on behalf of, Sanlam Private Wealth. Walker Capital does not act as a representative of any other licensee in relation to the services or products it provides.

Walker Capital is authorised by Sanlam Private Wealth to provide general and personal advice on and deal in the following classes of financial products to retail and wholesale clients (within the definition of the Corporations Act):

- derivatives;
- foreign exchange contracts;
- MDA Services; and
- securities.

Walker Capital is a provider of financial services to retail and wholesale clients. Walker Capital designs, develops and manages sophisticated currency related trading models that are unaffected by the rise and fall of market volatility. If you choose to act on the information provided to you by Walker Capital you will need to open an account with a brokerage firm, which Walker Capital may assist you with by referring you to one of its affiliated brokers.

Sanlam Private Wealth is an investment and financial services house with extensive experience in servicing the needs of both private investors and corporate clients. Sanlam Private Wealth has an extensive suite of products to service the needs of private clients and institutional investors.

#### **WHAT INFORMATION DO WE OFFER TO YOU, AS OUR CLIENT?**

We can offer you factual market data and information, including general advice, regarding those products and services our authorisation permits us to provide. The products on which we may provide this information include:

- Securities traded on local exchanges;
- Over-the-counter derivatives such as Contracts for Difference (CFDs);
- Foreign Currencies (margin trading);
- MDA Services offered by Sanlam; and
- Client education seminars (product awareness and trading skills).

#### **WHAT ARE OUR RESPONSIBILITIES AND WHAT TYPE OF ADVICE DO WE GIVE?**

We provide **general advice** and information regarding financial products and services (other than under Sanlam Private Wealth's managed discretionary account service, further details below) that can be dealt through us. This information or advice does not take into account your personal and financial circumstances, needs and objectives and because of that you should, before acting on the advice, consider the appropriateness of the advice having regard to your personal and financial circumstances, needs and objectives.

Under Sanlam Private Wealth's managed discretionary account service, we provide personal advice regarding financial products and services that can be dealt through us. Personal advice is advice that takes into account one or more of your objectives, financial situation and needs ("your Personal Circumstances"). You should immediately notify us if your Personal Circumstances change. Each time you receive any personal advice, you will be asked to confirm whether your Personal Circumstances have changed. Your client adviser can only make recommendations based on the information provided by you. Without all the necessary information, the advice given may not be appropriate for your Personal Circumstances.

It should be noted that if you open an account with us you will also be requested to provide some information relating to your financial circumstances and risk profile. This information is collected so that we can:



- receive some reassurance that you will be able to finance any trading that you enter into and that your attitude to risk is comparable to that of the financial products you intend to trade; and
- identify who you are as required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AMLCTF Act 2006).

### **WHAT IS A MDA SERVICE?**

A MDA service is a managed investment scheme and a facility for making a financial investment that has the following key features:

- you give to the MDA Provider, i.e. Sanlam Private Wealth, access to money or money's worth (client contributions);
- Sanlam Private Wealth, as the MDA Provider, and Walker Capital, as the MDA Manager, has the discretion to invest in financial products using your contributions without prior reference to you for each transaction;
- you agree with Sanlam Private Wealth and Walker Capital that assets derived directly or indirectly from your contributions are managed as a discrete portfolio belonging to you; and
- you have an understanding that you will derive benefits from the MDA service, including benefits from Sanlam Private Wealth's and Walker Capital's expertise in investment selection and other services offered as part of the MDA service.

Either the Adviser or the MDA Manager appointed by Sanlam Private Wealth (as disclosed in the MDA Contract that you have signed with Sanlam) will be responsible for reviewing the Investment Program included in the SoA once every 13 months.

Where your relevant personal circumstance have changed you will be responsible for informing either Sanlam, the MDA Manager or the Adviser (as the case may be). Either the Adviser or the MDA Manager appointed by Sanlam (as disclosed in the MDA Contract that you have signed with Sanlam) will review the Investment Program and MDA Contract to ensure it remains suitable for you.

### **WHAT IS THE MDA CONTRACT?**

In order to provide you with MDA services you need to open an MDA. To open an MDA you must enter into an "MDA Contract" with Sanlam Private Wealth before the MDA service can be provided.

The MDA Contract will include an Investment Program that is prepared in accordance with the requirements in Division 3 of Part 7.7 of the Corporations Act (ie. provision of personal advice to retail clients and Statement of Advice) and Division 2 of Part 7.7A of the Corporations Act (ie. best interest obligations). The Investment Program will contain the following information:

- the nature and scope of the discretions Sanlam (and any person authorised by Sanlam in the MDA Contract) will be authorised and required to exercise under the MDA Contract and any investment strategy that is to be applied in exercising those discretions;
- any significant risks associated with the MDA Contract;
- the basis on which Sanlam considers the MDA Contract to be suitable for you; and
- warnings about the MDA Contract, such as:
  - it may cease to be suitable for you if your relevant circumstances change; and
  - it may not be suitable for you if you have provided Sanlam with limited or inaccurate personal information about your relevant circumstances.

### **WHO HOLDS THE LEGAL TITLE TO YOUR PORTFOLIO OF ASSETS?**

You open an MDA in your own name or the name of a company or trust you control and thus, the entity/ person that owns the MDA holds the legal title to the portfolio of assets. The MDA service provided by Sanlam Private Wealth does not include custodial or depository services.



You will be required to open a trading account with a Third Party Service Provider and deposit funds in such account to facilitate any trading on your account. You will retain legal title over any trading account at all times however your funds and assets will be held with the Third Party Service Provider in either a Clients' Segregated Account or a Clients' Trust Account. The Third Party Service Provider provides dealing services to you (under its own AFS Licence), which includes execution and clearing services and holding client funds.

#### **OUTSOURCED PROVIDERS**

Sanlam Private Wealth has outsourcing arrangements in place with Third Party Service Providers that are responsible for the provision of dealing services which includes execution and clearing services and holding client funds. The Third Party Service Provider that will be responsible for providing these services to you are:

Pepperstone Group Limited AFS Licence No. 414530	Trade execution and clearing/settlement and holding of client funds in CFDs and Margin FX
Interactive Brokers LLC AFS Licence No. 245574	Trade execution and clearing/settlement and holding of client funds in Australian Equities

The Third Party Service Providers may change from time to time. You will be notified in writing if any changes are made.

MDA clients are required to enter into a separate arrangement with Sanlam Private Wealth with respect to these services.

For further details of the information taken into consideration by Sanlam Private Wealth prior to outsourcing services to a Third Party Service Provider please refer to the Sanlam Private Wealth's FSG.

#### **RISK DISCLOSURE**

There are significant risks associated with an investment via an MDA, of which not all can be outlined. Investment via the MDA may not be suitable for all investors. There can be no assurance that the MDA will achieve its investment objectives. There are risks associated with the underlying investments within the MDA which are outlined in the relevant PDS for the particular product. Each prospective investor should carefully review the MDA Contract and carefully consider the risks before deciding to invest.

For further details about the potential risks involved with investing through an MDA Services we refer you to Sanlam Private Wealth's FSG and the MDA Contract.

Accordingly, in evaluating the merits and suitability of an investment in the MDA, careful consideration should be given by prospective investors to the risk factors.

#### **NON-LIMITED RECOURSE PRODUCTS AND FACILITIES**

Non-limited recourse products or facilities can include loans used to acquire financial products (including margin loans), and certain types of derivatives and foreign exchange contracts.

Investing in non-limited recourse products or facilities can significantly increase your investment risk. Specifically, a non-limited recourse product or facility imposes a legal obligation on you to pay an amount to another person or financial institution in the event of the occurrence or non-occurrence of something where the rights of the other person or financial institution are not limited to any property or asset that you have paid or set aside as security for the agreement.

For more information about Non-limited recourse products and facilities (including a trade example) please refer to Sanlam Private Wealth's FSG and the SoA issued to you.



## **DETAILS OF ASSOCIATIONS OR RELATIONSHIPS**

Walker Capital has a relationship with its affiliated brokers which are providers of execution, clearing and settlement services and portfolio administration services. These relationships in no way influence the provision of financial services by Walker Capital to you.

## **THE COSTS, REMUNERATION AND OTHER BENEFITS THAT MAY BE RECEIVED BY US, OUR EMPLOYEES AND OTHERS?**

The information in this section is subject to change and does not include information in relation to taxes or duties that you may be required to pay in relation to an investment. Unless otherwise stated, all fees, charges, commissions and benefits disclosed in this FSG are exclusive of the Goods and Services Tax (GST).

Walker Capital (through third party service providers) will arrange, as authorised by you, for commissions to be debited from your account when a transaction has been completed in consideration for services rendered. The amount of commission can differ greatly depending on the services provided. Generally, the commission may be charged on a per trade basis or on a cash under management basis.

### *Advisory and Dealing Services*

Walker Capital and Sanlam Private Wealth (through the Third Party Service Provider) will arrange, as authorised by you, for brokerage, commission or transaction fees (ie. in the form of a spread mark-up or a rebate on the spread margin) to be debited from your account when a transaction has been completed in consideration for services rendered. The amount of commission can differ greatly depending on the services provided (ie. ranging from execution only services to advisory and dealing services). Generally, the commission may be charged on a per trade basis or on a cash under management basis.

Full details of brokerage, commission or transaction fees (ie. in the form of a spread mark-up or a rebate on the spread margin) payable by you is outlined in the Client Agreement entered into between the Third Party Service Provider and you.

### *MDA Fees*

Walker Capital may introduce you to the MDA provider, ie. Sanlam Private Wealth, for the provision of MDA Services. In such circumstances you will be charged Transaction Fees and MDA Fees, details of which are outlined in the Annexure attached to this FSG and set out in the MDA Contract.

The MDA Contract will include details of the portion payable to Walker Capital and its employees.

### *General comments*

Included within the commission will be any administration or agents' execution fees. In addition to these commissions, Walker Capital may require you to reimburse it for any fees levied on Sanlam Private Wealth by a market operator or clearing and settlement facility in respect of transactions entered into by Sanlam Private Wealth for you.

Walker Capital will receive a percentage of the fees received by Sanlam Private Wealth and Sanlam Private Wealth will retain the balance.

Our employees may, if authorised by you, be remunerated on a commission basis for the services provided to you. Their remuneration is included in the commissions discussed above.

Where your business has been referred to Walker Capital or your trade instructions require the use of a third party, Walker Capital may be required to share a percentage of the commission or other charge with other parties, as disclosed and authorised by you in the Client Agreement entered into between Walker Capital and you.



## IF YOU HAVE A COMPLAINT, HOW IT WILL BE DEALT WITH?

If you wish to make a complaint, the Director of Walker Capital, Michael Walker can be contacted on (02) 8076 2210 or by email [admin@walkercapital.com.au](mailto:admin@walkercapital.com.au). We will try to resolve your complaint quickly and fairly.

In the event that we are unable to resolve any issue or complaint you can contact Sanlam Private Wealth who has formalised client complaint resolution procedure in place to resolve any complaints or concerns you may have about the service provided to you. These should be directed to the Compliance Manager (Ms Amanda Roberts) can be contacted on (03) 8640 5508 or by email [compliance@privatewealth.sanlam.com.au](mailto:compliance@privatewealth.sanlam.com.au).

All complaints are reviewed and investigated by our Compliance Manager. If you make a complaint, our first response will be to contact you to discuss the complaint and to register a formal record of such complaint.

If, despite our best efforts, you believe your complaint has not been satisfactorily dealt with, we offer the use of an independent industry arbiter. Sanlam has agreed not to contest a final resolution from the independent industry arbiter.

You can contact the independent industry arbiter by writing to:

- Financial Ombudsman Service Australia **if lodged before 1 November 2018**

GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 367 287  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

- Australian Financial Complaints Authority **if lodged on or after 1 November 2018**

GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678 (free call)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [www.afca.org.au](http://www.afca.org.au)

Sanlam Private Wealth as the authorising licensee for Walker Capital holds Professional Indemnity Insurance cover for the activities conducted under its AFS licence and continues to maintain Professional Indemnity Insurance that generally satisfies the requirements of s912B of the Corporations Act Regulatory Guide RG126.

## FOR WHAT PURPOSE DO WE USE YOUR CONTACT DATA?

Privacy is an important issue for us and we are committed to ensuring full compliance with Privacy Act requirements.

The personal data that we collect from you will only be used by us to assist in the planning of marketing proposals, education seminars, provision of general product advice to clients and as permitted under the AMLCTF Act 2006.

**ANNEXURE: MANAGED DISCRETIONARY ACCOUNT FEES AND OTHER COSTS**

**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 investment 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 investment performance or use of an MDA Service, justify higher fees and costs.

**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 ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The following information shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the funds and assets held in your MDA.

Sanlam Private Wealth does not provide tax advice and you should obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The following table sets out the fees and costs for Sanlam's MDA Service.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment product</b>		
<i>Establishment fee</i> The fee to open your investment	Nil	N/A
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	N/A
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	N/A
<i>Exit fee</i> The fee to close your investment	Nil	N/A
<b>Management costs</b>		
<i>Management Fee</i> <sup>1</sup> The fees and costs for managing your investment	up to 3.3% (incl. GST) (further details provided in table below)	Payable in arrears on the last business day of the month and will accrue daily between such dates based on the balance of the account at the end of the month.
<b>Service fees</b>		
<i>Switching fee</i> The fee for changing investment options	Nil	N/A
<i>Performance Fee</i> <sup>1</sup> The fee on new net profit within a month	up to 33% (incl. GST) (further details provided in table below)	Payable in arrears on the last business day of the month and will accrue daily between such dates based on new net profit within a month.
<i>Transaction Fees</i> <sup>1</sup> The fees charged by the Third Party Service Provider for the provision of dealing services	Refer to section titled 'Transaction Fees' at the end of this Section 9.1	Per transaction

1. This fee includes an amount payable to an adviser.





When you close your account, the Management Fee will be calculated on the Net Portfolio Value at the closure date on pro-rata basis and deducted from the account prior to the account closure being processed and finalized.

The fee is quoted inclusive of GST.

#### *Performance Fee*

A Performance Fee is payable in addition to the Management Fee.

Performance Fees are payable in arrears on the last business day of the month and will accrue daily between such dates. It is deducted the following month.

A High Water Mark is applied to the Performance fee to ensure that any negative performance is recouped before another Performance Fee is charged.

This means that the Performance Fee will not apply to any month in which a trading loss is sustained and such a loss will have to be recovered before the Performance Fee is again applied.

The fee is quoted inclusive of GST.

#### *Transaction fees*

As part of the MDA Service you will be charged Transaction Fees each time the Nominated Adviser trades on your behalf (ie. buys or sells a financial product for you).

Sanlam Private Wealth and Walker Capital (through the Third Party Service Provider) will arrange, as authorised by you, for brokerage, commission or transaction fees (ie. in the form of a spread mark-up or a rebate on the spread margin) to be debited from your account when a transaction has been completed in consideration for services rendered.

These costs will depend on the frequency of trading within the MDA, which is determined by the investment strategy included in the Investment Program.

Full details of brokerage, commission or transaction fees (ie. in the form of a spread mark-up or a rebate on the spread margin) payable by you is outlined in the Client Agreement entered into between the Third Party Service Provider and you.