

General



# Seneca Financial Services Guide

## Part A

1 November 2023





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## About this Financial Services Guide

This Financial Services Guide (FSG) is a guide to the particular financial services we provide to clients. This FSG is divided into two parts. Both parts must be read together. If you have not received both parts of this FSG, please contact your adviser.

Its purpose is to assist you decide whether to use any of our financial services. It supersedes the previous version of our FSG dated November 2018. It includes information about us, the services we provide, how we provide them, what you have to do to become a client and how you may give us instructions. It explains how we charge for our services, how our Advisers are

remunerated, and the sorts of commissions (and other benefits) that may be due to Seneca, your Adviser and others if you use our services in particular circumstances. It highlights scenarios in which our interests may conflict with yours.

This FSG also explains what to do if ever you're dissatisfied with our level of service or conduct, and how we would handle your complaint. It refers to our Privacy Policy, which explains why we need, how we use and how we protect the personal information provided to us if you use our services.

## Lack of Independence

We are not independent, impartial, or unbiased in the financial services we provide to you because we may, from time to time, receive commissions, or volume-based remuneration (calculated on the basis of the volume of business placed with a particular issuer), or benefits from an issuer of a financial product which may reasonably be expected to influence the advice we give. However, we are required to act in your best interests when providing you with personal advice, and we must comply with other legal obligations as a financial services licensee, such as providing our services efficiently, honestly, and fairly and having arrangements in place to manage conflicts of interest.

## A. Who are we?

Seneca Financial Solutions Pty Ltd ABN 17 610 665 711 (Seneca) holds an Australian Financial Services Licence (AFSL No. 492686), issued by the Australian Securities & Investments Commission (ASIC). Seneca provides that business with a range of support and infrastructure services necessary for your Adviser to give you advice and transact on your behalf.

Seneca is also a Credit Representative (No. 518063) of Australian Financial Group Ltd ABN 11 066 385 822 (Credit Licence No. 389087). The credit services we can provide or arrange on behalf of Australian Financial Group Ltd are the subject of our Credit Guide (which is available on our website). Our credit services are entirely separate from our financial services.

## B. Our Contact Details

### Melbourne Office

Level 4, 125 Flinders Lane  
Melbourne VIC 3000

Tel: (03) 8639 1600  
Email: [info@senecafs.com.au](mailto:info@senecafs.com.au)  
Website: <https://senecafs.com.au/>

### Bendigo Office

Level 1, 103 Mitchell Street  
Bendigo VIC 3550



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## C. What Financial Services are we authorised to provide?

Seneca is authorised to:

- provide General and Personal Advice to Clients; and
- Deal on behalf of Clients, or Arrange for Clients to Deal through other AFSL Holders,

in relation to the following classes of financial products, whether Australian or foreign:

- basic and non-basic deposit products (e.g. bank accounts);
- securities (i.e. corporate debt or equity, such as shares, company options, convertible notes, hybrids, debentures, warrants over securities, whether listed or unlisted);
- derivatives (i.e. exchange traded options (ETOs), CFDs, futures contracts, commodity contracts);
- government debentures, stocks or bonds;
- Managed investment scheme (MIS) interests (i.e. ETFs, REITS, managed funds, whether listed or unlisted), including Managed Account and WRAP Account (i.e. Investor Directed Portfolio Services (IDPS)) services;
- standard margin lending facilities;
- superannuation products; and
- life risk insurance products (e.g. income protection, life cover, total & permanent disability cover, trauma cover).

Seneca is also authorised to:

- provide Managed Discretionary Account (MDA) Services;
- Custody Services, but these are only accessible as part of our MDA Service; and
- Underwrite and Sub-Underwrite the Issue/Sale of securities.

Seneca is NOT authorised to provide any services in relation to:

- foreign exchange contracts;
- non-standard margin lending facilities;
- general insurance products (e.g. home cover, car cover).

We are authorised to provide our services to Retail Clients and to Wholesale Clients (i.e. Financial Institutions, Professional Investors'). This FSG just describes the services we offer to those who qualify as a Retail Client.

In the case of a Retail Client, the services we provide in relation to derivatives do NOT extend to CFDs or futures/commodity contracts.

### General Advice and Personal Advice

**General Advice** is an assessment or rating of a particular financial product or opportunity, based on its investment merits (in relative terms) alone. Research is an example. It's called General Advice because, all else being equal, our view or rating at that time will be the same, whoever we're talking to. It does not take into about your objectives, financial situation and needs.

**Personal Advice** is an opinion, rating or recommendation regarding the **suitability** of a financial product, portfolio or course of action for a particular person. It answers the question of whether it's appropriate for the person to do or not do something. Personal advice will take into account one or more of your objectives, financial situation and needs (i.e. your **relevant circumstances**).



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## D. What Financial Services are we authorised to provide?

### We provide particular sorts of Investment Solutions.

We are specialists and choose to use our authorisations to provide particular services focussed on particular categories of financial product.

Our Corporate Advisory & Capital Markets team services Wholesale Corporate Clients/Investors, which are beyond the scope of this FSG.

Our service-suite for Retail Clients includes:

- an Execution-Only Service;
- an Investment Account Service;
- a Private Wealth Account Service; and
- a Managed Discretionary Account Service.

For more information on each of these services, please refer to our terms and conditions, available at <https://senecafs.com.au/resources/> and in your New Client Pack.

### Become a Client to access our Financial Services

To access any of our services, you need to become a client and open an Account with the service provider we select, and to do these things, you must populate and sign the various documents making up the New Account Pack for the service you select (see Section G).

### Advice in relation to Tax matters

We can provide information or perspectives on tax issues but only in general terms (e.g. the facts about dividend franking, capital gains tax). Seneca is not registered with the Tax Practitioners Board as a Tax Agent or Tax (Financial) Adviser, but your Adviser may be registered as a Tax (Financial) Adviser. Unless you are a client of our Private Wealth Account Service and your Adviser is registered as a Tax (Financial) Adviser, we can't advise you specifically on your tax obligations in relation to investments made through us, and therefore you should have access to an Accountant or Tax Adviser who can address any tax issues specific to your circumstances and investment objectives or strategy.

Tax obligations can have a profound impact on investment or trading strategies and returns. They are complex, tend to change and vary considerably depending on whether the topic is superannuation, capital gains, status as a trader, franked dividends or other tax-effective distributions, or the relative advantages of trust or company structures.



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## E. Who will be providing our Services to you?

### Your Adviser

The services provided to you, on behalf of Seneca, will be provided by an Adviser. Each of our Advisers is an Authorised Representative. Seneca ensures Advisers hold the necessary Competency Accreditations and Financial Adviser Registrations to provide the services you may require. In the absence of your Adviser, another adequately qualified member of our team of Advisers will be available to assist you.

Given your Adviser will be acting as our representative, Seneca will be accountable to you for any advisory, dealing or other financial services provided by your Adviser or any other member of our staff.

Refer to Part 2 of the FSG for more information about your adviser.

### Who do we act for when providing our services?

When providing our advisory and dealing services, we will be acting on your behalf, as your Agent. You will be our Principal.

At times, in the case of Market-traded products, we may even be acting at the same time as Agent for another client who is the counterparty to your transaction (e.g. in the case of an On-Market sale of Shares between clients). We may recommend you invest in an IPO/New Issue we are managing for a Corporate Client.

Neither Seneca, nor your Adviser, will act As Principal (on our/ their Own Account) on the other side of an On/Off-Market transaction with you.

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## F. Other documents you may receive

### Statements of Advice

A Statements of Advice (SoA) presents (or confirms previous oral) recommendation(s) to do or not do certain things, the basis for them, relevant disclosures (concerning fees, interests or benefits to be received by us and/or your Adviser, and conflicting relationships or associations capable of influencing the recommendations). Its purpose is to assist you make an informed investment decision based on our recommendation(s), taking into account the fees and other benefits we and your Adviser will or may receive if you act as we recommend. A SoA must be provided to you before the adviser's recommendation(s) can be implemented, unless you instruct us that implementation of some or all of the recommendations is time-critical, in which case the SoA can be despatched to you after we've implemented those instructions.

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### Product Disclosure Statements

If we recommend that you acquire a particular financial product (other than securities such as listed shares) or offer to issue, or arrange the issue of a financial product to you, we will give you a Product Disclosure Statement (PDS), containing information in respect of the product so that you can make an informed decision whether to acquire the financial product. The PDS contains information about the relevant terms, significant benefits and risks, and the fees and costs associated with the provision of that financial product.

An offer to issue or sell Securities which aren't Market-traded is presented in a Disclosure Document (e.g. a Prospectus), which is published by the Issuer/Seller, and serves the same purpose as a PDS. A Disclosure Document is not required to accompany Personal Advice on Securities which are not Market-traded.

You should file this Guide for later reference. It's an important document. Should you wish to discuss any of our services or matters raised in this Guide in more depth, we'd be happy to do so.



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## G. Terms & Conditions applying to our Services

To become a client and open an Account, you must complete and sign the various documents making up the New Account Pack for the service you select.

The New Client Pack includes all the terms & conditions (i.e. agreements) for the various elements of the service you've selected. The agreements you sign or commit to, will be with us or the serviceprovider(s) on whom we rely to facilitate the Personal Advice (if applicable) and the transactional and portfolio administration and reporting services required for that service. The FSG and other documents (e.g. PDS, IDPS Guide) required from a service-provider will be included in the New Account Pack.

The new client appoints us to operate and transact on their Account, on their behalf. The client gives us authority (but not discretionary authority) to operate the (i.e. instruct the Stockbroker or WRAP/Managed Account Provider to deal on that) Account. We cannot transact on your behalf without your prior, express instructions to do so. Wherever the Account is held, you will only be able to access it through Seneca.

Read the New Client Pack carefully BEFORE signing or indicating your consent where required. Ask us to explain anything which requires clarification. The service-relationship we (and certain service-providers) will have with you will be a commercial relationship, which imposes legally enforceable obligations on us, you and the service-providers concerned.

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## H. How are you to instruct us?

If you wish to implement our Personal Advice to transact in particular financial products, or to deal on your Account (whether as a user of our Execution-Only Service or at your instigation if you have an Investment Account or Private Wealth Account), you are required to instruct us (your Adviser) directly and clearly, by telephone or email. We may require you to give or confirm your authority to proceed or instructions in writing.

Dealing Instructions in relation to a product traded On-Market or by means of a Market-Maker must be clear, and special terminology applies (refer to our Term and Conditions for more information). As time is of the essence, the telephone is our preferred means of accepting order instructions from you.

If you instruct us by email, be aware that we can't be responsible for not actually receiving the instructions. You should also call your Adviser to confirm receipt of the instructions.

On all other matters, we will usually require you to instruct us in writing. Your response to a Corporate Action (e.g. an Issuers offer of new Securities), and your notifications and instructions in relation to important matters (e.g. change of address, payment of sale proceeds to parties other than you) must be provided to us in writing, signed by you. When necessary, and with your consent, we will also notify other relevant service-providers of such matters.



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## I. Our Financial Services provide access to the following Financial Products

Whichever service you use, our service arrangements may facilitate your access to Australian and major foreign Markets, and to the categories of financial products:

- Australian and foreign Securities;
- Fixed-Income Securities, Corporate and Government Bonds;
- Exchange Traded Funds (ETFs), Exchange Quoted Managed Funds (EQMFs) and Listed Investment Companies (LICs) and Property Trusts (REITs);
- ASX-traded Exchange Traded Options (ETOs), Warrants and other Derivatives;
- Australian and foreign Managed Funds;
- Cash-Deposit Products and Term-Deposits; and
- Standard Margin Lending Facilities.

### Self-Managed Superannuation Funds

We may advise you to consider establishing a SMSF, but we do not arrange establishment of SMSF (we would refer you a specialist to do so). We assist the Trustee(s) invest its funds and manage the SMSFs portfolio of holdings. It is up to the Trustee(s) to comply with their duties in relation to having a documented Investment Strategy/Program and (if necessary) a Derivatives Risk Statement in place, and to ensure that recommendations they accept from us are in compliance with these documents.

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## J. What associations or relationships are there between us and issuers of Financial Products which might be capable of influencing us when providing Financial Services to you?

Seneca is not controlled by, or allied to, any Issuers, and our Directors and Executive Officers do not act in that or any other capacity within the business of an Issuer of financial products. The choice of WRAP/ Managed Account provider or Stockbroker we require you to use is based solely on the scope, quality and cost of their services. We haven't, and don't receive an incentive for selecting a particular service provider.

Seneca does identify and secure access to a wide range of quality investment opportunities likely to be of interest to clients. In doing so, we may develop relationships with Issuers which

involve us receiving fees for promoting or arranging client investment in their financial products. These relationships may lead to success fees, introduction fees, issue management fees and/or company options being issued to us etc. We may even have to act as Manager or Underwriter to the issue to secure client access to an attractive offering, and we would receive fees for acting in that capacity. If Seneca receives any monetary or other benefits, it will be disclosed in any offer documentation, advice or research distributed to you.



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## K. What to do if you have a Complaint

If ever you are dissatisfied with our service or conduct, you may wish to make a complaint. We welcome the feedback, and use it to improve our services. To make a complaint, take the following steps:

1. Raise the matter with your Adviser as soon as possible. Your Adviser will address your concerns.
2. If your complaint is not resolved satisfactorily within 3 Business Days, please contact our Compliance Manager on 03 8639 1600 or put your complaint in writing and send it to us addressed to:

**The Compliance Manager  
Seneca Financial Solutions Pty Ltd  
PO BOX 24250  
MELBOURNE VIC 3000**

3. We will do our best to resolve your complaint fairly and expeditiously. The issues involved may be complex and subject to special regulations. You will be informed of progress.

4. If, as a result of this process, you still don't get a satisfactory outcome, you have the right to complain in writing to the Australian Financial Complaints Authority:

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

ASIC also has a free call Infoline on 1300300 630 which you can use to make a complaint about our services or conduct, and to obtain information about your rights.

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## L. What Compensation Arrangements do we have?

Seneca has in place Professional Indemnity Insurance which satisfies the requirements for Retail Compensation Arrangements under Section 912B of the Corporations Act.

Our Professional Indemnity Insurance covers claims in relation to the conduct of representatives/employees who no longer work for us, but who did at the time of the relevant conduct. It also

covers our liability to a Retail Client for an award (i.e. compensation order) made in favour of that Retail Client by AFCA.

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## M. Commissions and Other Benefits may be paid to a Referrer

If you were referred to us, under a referral arrangement, Seneca may pay (to the extent permitted by law) a commission(s) and/or other benefits to the person who referred you.

A referrer may receive a one-off fee or an ongoing payment of a proportion of what we charge you. If such payment(s) apply, the referral arrangement will be disclosed to you (e.g. in the SoA).





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## N. How are we paid, and what other benefits might we receive, for the Services we provide to you?

This Section lists the fees and charges which apply to the services described in this FSG. They do NOT include the fee(s) charged to you by the service-providers we select for your use in order to access their infrastructure and services (their fees and charges will be set out in their documentation, included in or with the New Client Pack). This Section describes how our fees are calculated. Fees and charges (which may be tax deductible) impact investment performance.

### How are our Advisers and other staff remunerated?

Your Adviser receives a proportion of the brokerage, commission or fee received by Seneca. Your payments for our Dealing Services will usually come to us via a service-provider, in which case we receive a net amount after (if applicable) they've deducted their charges. The various split arrangements are detailed below.

Certain staff only receive a salary and may be eligible for a discretionary bonus.

### Charges for our Dealing Services

Whether you are a user of our Execution-Only, Investment Account or Private Wealth Account Service, brokerage on each purchase or sale of a product traded on an Australian or foreign Market, or effected using a Market-Maker, is calculated as a percentage of the dollar value of the transaction actually executed, subject to a minimum per transaction.

Brokerage rates are subject to negotiation and will depend on the type and level of service you require, and the size and frequency of transactions on your Account. Depending on where your Account is held, brokerage will usually be paid to the Stockbroker concerned, or their Third-Party Clearer, or to the provider of the WRAP/Managed Account. Seneca will receive an amount, following deduction of their charges, and up to 60% will be shared with your Adviser.

**Example – Brokerage Calculation:** If the value of the transaction (the Markettraded products bought or sold) is \$100,000, and brokerage is 1.00%, the total payable would be \$1,100.00 (i.e. brokerage of \$1,000 + GST of \$100.00). Of this amount, Seneca would receive \$440.00, and your Adviser would receive up to \$660.00.

**Brokerage on transactions traded on ASX/cboe Markets:** Subject to a minimum of \$125 (+GST), brokerage for Securities ETFs, Warrants and ETO transactions is calculated at a rate (typically) of between 1.0% and 2.0% (+GST).

**Brokerage on International transactions:** Brokerage on transactions in products traded on a foreign Market is subject to a minimum of \$150 and is calculated at a rate (typically) of between 1.5% and 2.5%.

### Lodgement, Application & Stamping Fees –IPOs/ New Issues of Securities

In the case of an application for Securities in an IPO/New Issue, if your application is stamped by Seneca and is successful, we may be entitled to receive a Fee from the Issuer or the Manager of the IPO/New Issue. This Fee will vary depending on the Issuer, but is usually in the range of 0.5% - 6.0% of the value of the allocation made to the applicant (if your allocation is settled Delivery-versus-Payment (DVP) on CHESS, we will charge a fee of \$100.00 + GST – see the Table below). Your Adviser would receive up to 60% of the Fee we receive.

Where we act as Underwriter or Sub- Underwriter or Manager of an IPO/New Issue, we will receive a Fee(s) for acting in that capacity. Details of our various Fees will be disclosed in the Prospectus or Information Memorandum for the issue and will depend on the individual circumstances and type of the issue. When relevant, these fees will be disclosed to you.



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## Lodgement & Trailing Fees – Managed Funds

In the case of application for Managed Funds, the range of Fees we may receive from the Issuer are:

- an upfront Fee of between 0% to 6.6% of the amount you invest; and
- a Trail Commission of between 0% to 1.1% (per annum) of the ongoing value of your investment in the holding(s) concerned.

The %s are dependent on the identity and operations of the Issuer, the fees/ commissions they pay or rebate and the nature of the product (all as disclosed in the PDS). Your Adviser would receive up to 60% of the amount received by Seneca.

## Charges for our Investment Account Services

In addition to the charges for related Dealing Services, we charge a Portfolio Administration & Management Fee, which is either levied as a % of Portfolio-Value (depending on the value of your portfolio and the level and scope of service required) or as a Flat-Fee, as agreed with you [the minimum being \$5,000.00(+GST)/annum]. It is deducted (pro rata) Monthly. Your Adviser would share up to 60% of this Fee. This Fee will be disclosed in your SoA.

## Charges for our Private Wealth Account Services

We do not charge for the Initial Consultation, but we do charge:

- an **Investment Plan Fee**; and
- an **Ongoing Fee**.

The Investment Plan Fee is payable for the comprehensive analysis of your circumstances, investments, objectives and goals, and preparation of your Investment Plan. If called on to review and report on a pre-existing Financial Plan we would charge an equivalent Fee. In general, this Fee is subject to negotiation and will depend on the extent and level of complexity of the Investment Plan required. The minimum is \$5,000.00(+GST). It is payable to Seneca and up to 60% is shared with the Adviser. This Fee will be disclosed in your SoA.

The Ongoing Fee is either levied as a % of Funds-under-Advice or a Flat-Fee, as agreed with you, depending on the level and scope of service required [the minimum being \$5,000.00 (+GST)/annum]. It is deducted (pro rata) Monthly. Your Adviser would share up to 60% of this Fee. This Fee will be disclosed in your SoA.

## Other Benefits - interests in Financial Products that Seneca or your Adviser may have

When we provide advice, we are obliged to inform you of any interest(s) your Adviser(s), Seneca or any associate of either has that may reasonably be capable of influencing that advice (e.g. the Adviser holds shares recommended to a client as a buy).



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## Other Fees and Charges

Fee Type	Fee (Ex GST)	Description	When the Fee is payable
<b>One-Off Sales – ASX/ cboe traded Securities or Other Products</b>	1.5% subject to a minimum of \$150 per transaction	Brokerage charged per transaction on sell-only accounts of Issuer Sponsored holdings.	Upon Settlement (two business days after the settlement date)
<b>One-Off Sales – Securities or Other Products traded on a Foreign Market</b>	1.75% subject to a minimum of \$200 per transaction	Brokerage charged per transaction on sell-only accounts of International holdings.	Upon Settlement (two business days after the settlement date)
<b>Derivatives Account Opening Fee</b>	\$200	If you wish to establish a exchange traded options Account	Prior to your first derivatives transaction
<b>Foreign Resident Account Opening Fee</b>	\$200	If you are a foreign resident wishing to open a trading account	Prior to your account being opened
<b>Off Market Transfer</b>	\$150	When you request Seneca to prepare and facilitate an off-market transaction	Upon request to prepare the transfer form
<b>IPO/ New Issue Allocation Fee</b>	\$100	When you request Seneca to settle an IPO/New Issue allocation DvP on CHES	Upon Settlement
<b>Fail Fees/ Late Payment Charges</b>	0.10% min \$100 of the confirmation value	If you fail to settle a purchase or sale transaction by the time and date specified on the Confirmation	Upon failure/ late payment
<b>Cancellation and Rebooking</b>	\$50	When you request Seneca rebook a transaction to a different account	Upon request to rebook a transaction
<b>Stock Search Fee</b>	\$50	When you request a search to locate a holding on the Issuer Sponsored Sub- Register	Upon request to conduct a search
<b>Share Registry Administration Fee</b>	\$50 per document	When you request Seneca undertake share registry administration on your behalf	Upon request to prepare a registry document
<b>Deceased Estate Administration Fee</b>	\$250 per hour	When you request Seneca undertake share registry administration on your behalf	Upon request to undertake deceased estate administration