



Koda Capital

Financial Services Guide

Version 8.5 – 4 September 2024

This Financial Services Guide (**FSG**) is issued by Koda Capital Pty Ltd (**Koda, we, us, or our**).

This FSG is provided to give you key information about the types of financial services we will or are likely to provide to you. It also provides you with information on:

- remuneration that may be paid to us and other;
- relevant persons in relation to the services offered;
- details of how you can give us instructions;
- details on how we protect your personal information; and
- how you can make a complaint about us.

The FSG is intended to assist you in deciding whether to use any of the financial services we offer.

1. WHO WE ARE

Koda is a financial advisory business that provides clients with tailored wealth management services.

Koda is licensed under the Corporations Act 2001 (Cth) (**Corporations Act**) to provide financial product advice and dealing services to wholesale and retail clients in respect of the following financial products under its Australian financial services licence (**AFSL**):

- Basic and non-basic deposit products
- Derivatives
- Foreign exchange contracts
- Debentures, stocks or bonds issued or proposed to be issued by a government
- Life products including:
 - investment life insurance products; and
 - life risk insurance products
- Interests in managed investment schemes including investor directed portfolio services and managed discretionary account services
- Securities
- Standard margin lending facilities
- Superannuation products

2. OTHER DOCUMENTS YOU MAY RECEIVE FROM US

We may also provide you with other documents such as:

(a) Statement of Advice

If you are a retail client, you will receive a Statement of Advice if we provide you with personal advice (that is, advice that considers your objectives, financial situations and needs). The Statement of Advice contains a record of the advice you receive, as well as the information that the advice was based on.

(b) Product Disclosure Statement

If you are a retail client and we recommend a financial product or arrange a financial product for you, we will make available a Product Disclosure Statement (PDS) of that financial product, which provides you with important information about the product, such as its features and risks, its terms and conditions, information on the costs of the product and relevant fees and charges.

3. GIVING US INSTRUCTIONS

You can contact us directly with any instructions relating to your financial products. This includes giving us instructions by telephone, mail or email to the relevant details as provided in this FSG.

4. OUR FEES

Koda will charge you fees for the services we provide to you or arrange for you. Our fees may include investment administration services such as custody, reporting and other services relevant to your investments.

Koda offers 5 fee alternatives.

- i. A flat fee which you will negotiate with your adviser each year. This fee will reflect the complexity of your investment arrangements, the types of investments you hold, the level of activity and the frequency of advice that you need.
- ii. A fee which is calculated by reference to the value of the assets we provide advice on. This fee may be subject to a minimum and/or a maximum amount
- iii. An hourly fee under which your fees will time based.
- iv. Transaction fees wherein Koda charges for specific transactions Koda arranges on your behalf.
- v. An agreed combination of the above.

Koda will not accept commission or other incentives from the providers or issuers of financial products we have provided advice on. If we do receive a commission, we will rebate the commission to your Koda account unless you have specifically agreed with your adviser to other arrangements.

Koda may facilitate participation by qualified wholesale clients in capital market transactions including initial public offerings (IPOs) and other raisings through its wholly owned subsidiary, Koda Capital Markets Pty Ltd (ACN 612 656 676, AFSL 488345, "KCM"). KCM may derive a fee from the promoters or issuers of securities in these capital market transactions as a result of the participation of clients of Koda in these transactions, but all such fees are rebated to clients.

If we have arranged on your behalf for services to be provided by a third party and you choose not to continue with your services from Koda, you will have 30 days to replace the services previously provided through Koda. Any costs Koda incurs from third parties on your behalf will be billed to you until alternative arrangements have been implemented and Koda ceases to incur costs in respect of your assets or account.

5. OUR THIRD-PARTY RELATIONSHIP(S) AND OTHER BENEFITS

To facilitate and implement our services to you we have established relationships with a number of third parties to provide administrative, operational and execution services. This may be through a Managed Investment Scheme (MIS) or an Investor Directed Portfolio Service (IDPS). To use our services, we are likely to require you to open an account with one of these third parties.

6. ADVISER REMUNERATION

Our advisers are employees of Koda and receive a salary and, if certain criteria are met, may qualify for a bonus or benefit through participation in an employee incentives plan.

7. DISPUTE RESOLUTION

If you have any complaint about any of our services, you should send your complaints to:

Head of Legal Risk and Compliance
Koda Capital Pty Ltd
PO Box R216, Royal Exchange NSW 1225; or via email at compliance@kodacapital.com
Telephone: 1800 518 228

You should describe the circumstances that gave rise to your complaint. We will try to resolve your complaint and will notify you of the outcome of our review.

If we do not respond to your complaint within 30 days or if our response is unsatisfactory to you, you may contact the Australian Financial Complaints Authority (AFCA) at:

GPO Box 3, MELBOURNE VIC 3001
Telephone: 1800 931 678
Fax: (03) 9613 6399
Web: www.afca.org.au

You can also make a complaint to the Australian Securities and Investments Commission at any time by contacting their information line on 1300 300 630.

8. COMPENSATION ARRANGEMENTS

If you are a retail client and incur loss, we have in place a compensation arrangement in respect of any loss or damage suffered by you due to a breach by us of our regulatory obligations. We may meet your claim from our own resources, but we also maintain professional indemnity insurance.

9. PRIVACY

We handle your personal information in accordance with our Privacy Policy, which is accessible at www.kodacapital.com.

We may be required by law to disclose your personal information. For instance, we may be required to provide details to:

- Australian Government regulators such as the Australian Securities and Investments Commission, the Australian Tax Office, the Australian Transaction Reports and Analysis Centre, and to other regulatory or government entities;
- Australian Financial Complaints Authority (AFCA) to allow a complaint you have made about our provision of financial services to be resolved (only applies if you are a retail client);
- as required by a court order; and
- your spouse in accordance with the Family Law Act requirements.

In order to meet your needs and provide some investor and financial services, such as administering your accounts, it may be necessary to release information or provide access to external service providers, for instance:

- any organisations involved in providing, managing or administering our products or services such as administrators, third party clearers, mail houses and software providers;
- contractors we have engaged to assist us in managing your accounts;
- auditors, consultants and other professional advisers;
- any fund (administrator or trustee) to which your investment balance is to be transferred;
- your Legal Personal Representative, attorney or any other person who may be entitled to receive your account balance following your death and any person contacted to assist us in that process;
- other financial institutions (such as banks) who hold an account in your name, for example, where amounts have been transferred to or from that account;
- authorities investigating (or who could potentially investigate) alleged fraudulent or suspicious transactions in relation to your account.

10. CONTACT US

Our contact details are as follows:

Koda Capital
Level 8, 20 Bond Street, SYDNEY NSW 2000
Telephone: +61 2 8651 3400
Email: operations@kodacapital.com

Sydney	Melbourne	Brisbane	Perth	
Level 8 20 Bond Street	Level 15 385 Bourke Street	Level 32 71 Eagle Street	Level 3 66 Kings Park Road	ABN: 65 16 649 1961 AFSL: 452 581
PO Box R216 Royal Exchange NSW 1225	GPO Box 5356 Melbourne VIC 3001	GPO Box 1474 Brisbane QLD 4001	PO Box 277 West Perth WA 6872	t: +61 2 8651 3400 w: kodacapital.com

Annexure - MDA Disclosures

Managed Discretionary Account Service

The licensee and representatives described in this FSG are licensed and authorised to provide Managed Discretionary Account ('MDA') services. We provide our MDA services in compliance with ASIC Legislative Instrument 2016/968.

We provide Limited MDAs only. That is, we provide and advise on MDAs that hold assets on Regulated Platforms only (e.g., superannuation platforms and investor-directed portfolio services).

When providing MDA services, we outsource asset holding and ongoing transaction reporting to the Regulated Platform operator. Typically, the Regulated Platform operator will outsource custody of the platform's assets to a third-party custodian. We only engage with external providers that we consider provide appropriate levels of service, security, flexibility, choice, and efficiency at reasonable, competitive prices. We follow our outsourcing policy when appointing outsourced providers. We also regularly review the performance of these providers through formal reviews and our everyday interactions with them.

MDA Agreement

To receive MDA services from us, you need to first enter an MDA Agreement with us. The MDA Agreement will include an Investment Program that meets:

- the Statement of Advice ('SOA') requirements in Division 3 of Part 7.7 of the *Corporation Act 2001 (Cth)* ('the Act') (these relate to rules around the provision of SOAs and the disclosure requirements); and
- the best interests requirements that apply to personal advice (i.e. Division 2 of Part 7.7A of the Act).

The Investment Program will also contain:

- a statement about the nature and scope of the discretions we will be authorised to, and those that we are required to, exercise under the MDA agreement and the investment strategy that is to be applied in exercising those discretions; and
- information about any significant risks associated with the MDA agreement; and
- the basis on which we consider the MDA agreement to be suitable for you; and
- warnings that the MDA agreement may not be suitable for you if you have provided limited or inaccurate information about your relevant personal circumstances and may cease to be suitable if you're relevant circumstances change.

We will review the Investment Program at least annually.

Risks

Using an MDA involves some risks. Significant risks associated with investing through the MDA service include:

- We will make investment decisions on your behalf and arrange transactions on your Regulated Platform without having to seek your authority before every decision or transaction. You need to be comfortable with this;
- Because the MDA gives us discretion to arrange to buy and sell interests in underlying financial products on your behalf, there is a risk that your circumstances change, and the MDA is no longer suitable to you.
- Because we may actively arrange to buy and sell financial products within your Regulated Platform account on your behalf, there is a risk that you will accrue capital gains tax liabilities.
- There is a risk that you suffer a loss on Your portfolio balance because there is an adverse market movement that is not subject to stop loss or other mechanisms built into the investment program,

because it occurs when our office is closed or because the Regulated Platform operator is not able to process relevant transactions quickly enough to avoid loss.

- There is a risk that the sale price of a share in your portfolio is lower than the pre-set stop-loss amount.
- Because we may exercise discretions in relation to Corporate Actions (so long as they fit within the investment strategy agreed between us), there is a risk that we may make a decision that is different to one you would have made. Corporate Actions typically relate to share investments and include actions taken by companies affecting their capital structure, including mergers, acquisitions, bonus issues, dividends, interest, and ASX code changes.
- The operator of the Regulated Platform, or a custodian they appoint, will be the legal owner of your investments, not you. Your investments are held on trust for you as beneficial owner (note that We do not hold any legal or beneficial interest in Your investments).
- There can be different tax treatments and consequences when investing into pooled funds via a Regulated Platform. Also, sometimes it is not possible to invest or redeem interests in pooled funds as quickly as you could with direct investments.
- Our acts are binding on you provided we act within the terms of this agreement. You will not be able to claim that we were not acting on your behalf.

You may instruct us in writing (email or letter) on investment changes to your Regulated Platform Account. In these situations, we will be acting on your instructions and the changes will not be covered by the MDA service.

The key external custodian that is appointed to hold your assets in the Regulated Platform is:

Netwealth Investments Limited (AFSL 230975, ABN 85 090 569 109)

Phone: 1800 888 223

Email: contact@netwealth.com.au

Post: PO Box 336, South Melbourne VIC 3205


Managed Discretionary Account Fees and Costs

We do not charge additional fees to use our MDA services. That is, if we were to invest your monies directly into the relevant Regulated Platform instead of doing so via our MDA service it would cost you the same. All our services are provided under our usual plan preparation, plan implementation and ongoing service fees as disclosed in your engagement letter and / or Statement of Advice.

But of course, because your MDA portfolio assets are invested via a Regulated Platform, costs associated with that platform (including costs associated with underlying fund managers) apply to your MDA investments. All the fees and costs associated with the Regulated Platform and its underlying investment options are disclosed in the relevant product disclosure statement ('PDS') for those products.

However, ASIC Legislative Instrument 2016/968 requires us to make the following fees and costs disclosures notwithstanding that some of the disclosures are not relevant to our MDA services. Where we disclose fees and costs in the following section, these relate to fees for the relevant Regulated Platform your MDA service invests via. In the balanced portfolio example, we estimate the costs for investing in a typical balanced portfolio using your MDA. Your portfolio may be different and have different fees. Koda typically recommends one or more of a range of Regulated Platforms. These include platforms offered by Netwealth.

To ascertain the full costs of investing using our MDA service, it is necessary to understand our advice fees and the fees associated with investing into underlying investment using the Regulated Platform.



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 account 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 superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable*. Ask the Fund or your financial adviser.

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

**The MDA service does not charge contribution fees or management costs. We describe our advice-related fees under Additional Explanation of Fees and Costs.*

Fees and Other Costs

This document 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 assets of the managed investment scheme as a whole.

Taxation information, including information about Goods and Services Tax ('GST') is set out in the relevant Product Disclosure Statement. Unless otherwise stated, fees and other costs disclosed in this section are inclusive of the net effect of GST, if applicable (that is, including any Reduced Input Tax Credits if applicable).

Fees and costs for particular Investment Options are set out in the relevant Product Disclosure Statement.

Note the paragraph above, the tables below and associated descriptions are prescribed disclosures. However, note that the Regulated Platforms we use for your MDA each charge different levels and types of fees and costs. And of course, the fees you pay will depend on the investments that make up your MDA from time to time. To get an accurate view of the full cost of investing in a portfolio via a Regulated Platform using the MDA service you should see our Statement of Advice to you that will include all relevant fees associated with our advice and read the PDSs for all products we recommend as well.

The Koda Capital Pty Ltd MDA																
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID														
<i>Establishment fee</i> The fee to open your Investment	Nil	Not Applicable														
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not Applicable														
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not Applicable														
<i>Exit fee</i> The fee to close your Investment	\$0 if you terminate the discretionary investment service after 12 months. If you terminate the service within 12 months, you must pay the applicable fees, charges and costs for the first full year.	If applicable, this fee will be deducted from your platform account before we cease to operate it on your behalf														
Management costs																
<i>The fees and costs for managing your investment</i> The amount you pay for specific investment options is shown in the section of the Regulated Platform PDS that describes the fees and costs for each of the investment options and/or the PDS for the investment option itself.	Management costs can include indirect costs, custody costs and amounts payable for investment in the Regulated Platform/managed product itself. Management costs vary depending on what Regulated Platform we hold your MDA through and according to the amount invested: <table border="1"> <thead> <tr> <th>Amount Invested</th> <th>% Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$250,000</td> <td>1.32% - 1.48%</td> </tr> <tr> <td>plus \$250,001 - \$500,000</td> <td>1.22% - 1.38%</td> </tr> <tr> <td>plus \$500,001 - \$1,000,000</td> <td>1.12% - 1.28%</td> </tr> <tr> <td>Plus \$1,000,000 - \$2,500,000</td> <td>1.07% - 1.17%</td> </tr> <tr> <td>plus \$2,500,001 and over</td> <td>0.81% - 1.11%</td> </tr> <tr> <td colspan="2">plus \$240 per annum per account (for up to 6 accounts)</td> </tr> </tbody> </table>	Amount Invested	% Fee	\$0 - \$250,000	1.32% - 1.48%	plus \$250,001 - \$500,000	1.22% - 1.38%	plus \$500,001 - \$1,000,000	1.12% - 1.28%	Plus \$1,000,000 - \$2,500,000	1.07% - 1.17%	plus \$2,500,001 and over	0.81% - 1.11%	plus \$240 per annum per account (for up to 6 accounts)		The fees are deducted from your platform account. See below for additional information.
Amount Invested	% Fee															
\$0 - \$250,000	1.32% - 1.48%															
plus \$250,001 - \$500,000	1.22% - 1.38%															
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plus \$2,500,001 and over	0.81% - 1.11%															
plus \$240 per annum per account (for up to 6 accounts)																

Service Fees		
Switching fee The fee for changing investment options	The MDA does not charge a switching fee. The Regulated Platform may. It is necessary to read the PDS.	

Example of annual fees and costs

This table gives an example of how the fees and costs of our discretionary investment management service can affect your investment over a 1-year period. You should use this table to compare this product with other managed discretionary account (MDA) services. It assumes one non-superannuation account with a balance of \$1,000,000 invested in our Balanced Income asset allocation and contributions of \$50,000 per annum.

The fee example is based on using Netwealth as the Regulated Platform as this is the typical platform we use for providing MDA services. The fees you pay may vary from this example. Also, costs associated with the underlying investment fund/s are additional to the costs below. See under 'Additional Fees and Costs' below for an example that includes the costs of underlying investments as well.

Example ¹	Balance of \$50,000 with contribution of \$5,000 during the year ²	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management Costs <ul style="list-style-type: none"> Portfolio Management Fee of 0.615% deducted directly from your account Platform Fee of 0.28% + \$240 deducted directly from your account³ Indirect costs of 0.40% deducted indirectly 	1.295%	For the first \$1,000,000 you have in our discretionary investment management service, you will be charged \$12,950 each year. You will be charged \$15,600 for the next \$1,500,000 and then for each subsequent \$1,000,000 you will be charged \$10,150 each year. This may be lower for larger portfolios.
Equals Cost of MDA Service	If you invested \$50,000 at the beginning of the year and put in an additional \$5,000 at the end of that year, you would be charged fees of \$647.50⁴	

¹ The example includes GST, net of any reduced input tax credits.

² This amount is prescribed by legislation for use in this example. The example above assumes that the \$50,000 is invested for the entire year, the value of the investment is consistent over the year and that the additional \$5,000 is invested at the end of the year. Therefore, management costs are calculated using the \$50,000 only.

³ The example assumes you use the Netwealth platform.

⁴ In addition, transactional and operational costs will be incurred. For every \$50,000 you have invested, we estimate these add up to be between \$165 and \$550.

Additional Explanation of fees and costs

Management costs

Different platforms charge different fees and costs that make up Management Costs. E.g. they may include: account keeping fees, performance fees, indirect costs, expense recoveries, custodial holding option fees, administration fees, trustee fees.

Some of these fees and costs are charged monthly, others quarterly or annually. Some may be flat fees, others may be percentage based. It is imperative to read the relevant PDS.

Transactional and Operational costs

In addition to management costs, some fees and costs may apply to undertake certain transactional and operational matters. E.g. transaction fees, external broker fees, insurance premiums, reconstruction fees, dishonour fees. It is imperative to read the relevant PDS.

Fees and costs of underlying investments

As mentioned above, the managers of the underlying financial products you invest into via the Regulated Platform will typically charge some fees with their products on top of the fees that the Regulated Platform charges. These can include fees such as investment management fees, performance fees, transactional and operational costs such as brokerage and buy-sell spreads and indirect costs associated with their financial products. As we operate MDAs via a range of Regulated Platforms we have chosen a typical balanced investment option for the purposes of the example above. But note that the costs you incur may be different to the example above and will depend on the Regulated Platform used and the underlying investments that make up your MDA. You should read the PDSs for these products as they will describe the types of fees and costs and the amounts as well as how and when they are charged.

Advice Fees

Regarding advice fees, we charge fees in relation to providing our advice services to you. These fees are described earlier in this FSG. They can include a plan preparation fee, a plan implementation fee and/or an ongoing service fee. They are typically a percentage of your portfolio value, an agreed fixed fee which is paid monthly or a percentage of the transaction value. All applicable fees will be set out in the Statement of Advice we provide you. Our advice fees can be deducted from your MDA or invoiced directly to you. You may be able to negotiate these fees with us.

Platform fees

This is the cost of the platform that we use to administer and report on your investments. These fees are tiered according to the value of your investments, as shown below. The fees are paid from your platform account.

Amount Invested	Investment Wrap* ¹	Super Wrap ²
\$0 - \$250,000	0.28%	0.32%
plus \$250,001 - \$500,000	0.21%	0.22%
plus \$500,001 - \$1,000,000	0.10%	0.10%
plus \$1,000,001 - \$2,500,000	0.04%	0.04%
plus \$2,500,000 and over	0.00%	0.00%

plus \$240 per annum per account (for up to 6 accounts) with a \$550 minimum per account

*Also used for Self-Managed Superannuation Funds.

- 1 The displayed fees are the retail rates offered by the Netwealth platform. The fees offered to Koda Capital clients will not exceed those listed above.
- 2 Calculations for Super Accelerator admin fees include an allowance for an ORFR cost of 0.025% p.a. of the portfolio balance. This is the maximum estimated ORFR cost. The actual ORFR cost is likely to be less than this.

This table assumes that you will use the Netwealth platform that we recommend. The fees will be different (and may be more) if you choose to use a different platform.

Changes in Fees and Costs

The providers of Regulated Platforms and underlying investment products are able to change their fees and costs from time to time. Typically, they give at least 30 days' notice before any increase in fees. Similarly, we may change the fees we charge you. We will always give you advance notice if we are to change our fees.

Note that the fee examples given above may change from time to time. Current fees will be provided when we provide a Statement of Advice to you.

kodacapital.com



This document has been prepared without consideration of any client's investment objectives, financial situation or needs. Before acting on any advice in this document, Koda Capital Pty Ltd recommends that you consider whether this is appropriate for your circumstances.

While this document is based on the information from sources which are considered reliable, Koda Capital Pty Ltd, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Koda does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect any of the information contained in this document.

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