



Financial Services Guide

Responsible entity: BrickX Financial Services Limited

ABN: 67 616 118 088

AFSL number: 494878

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Introduction

This Financial Services Guide (FSG) is issued by BrickX Financial Services Limited (ABN 67 616 118 088 AFSL 494 878) of Level 27, 101 Collins Street, Melbourne VIC 3000 (Licensee) and The Brick Exchange Pty Limited (ABN 27 600 762 749) (BrickX) of Level 27, 101 Collins Street, Melbourne VIC 3000. BrickX is the Manager of the managed investment scheme known as the BrickX Platform (ARSN 613 156 433). BrickX is a corporate authorised representative (Authorised Representative (001000043) of the Licensee. The Licensee is the Responsible Entity and issuer of interests in the BrickX Platform.

The purpose of this FSG

The purpose of this FSG is to assist retail clients (**you**) to understand and decide whether to use the financial products and financial services offered by the Licensee and/or BrickX. The FSG is also intended to inform you of any remuneration that may be paid to the Licensee and/or BrickX in relation to those financial products and financial services and to advise you of how to make complaints against the Licensee and/or BrickX.

This FSG should be considered alongside the Product Disclosure Statement for the BrickX Platform (and the Additional Disclosure Document for each BrickX Trust) which are available on the website www.brickx.com. The Product Disclosure Statement (and the Additional Disclosure Document for each BrickX Trust) are designed to feature sufficient information so that you can make an informed decision about whether to purchase a financial product offered by the Licensee and/or BrickX. The Product Disclosure Statement (and the Additional Disclosure Document for each BrickX Trust) sets out the key features of the BrickX Platform, each BrickX Trust, fees payable for joining the BrickX Platform and acquiring a Brick, and the benefits and risks associated with acquiring a Brick in a BrickX Trust.

Capitalised terms in this FSG have the meaning given in the Product Disclosure Statement unless otherwise defined.

The financial services we provide

The BrickX Platform is an online platform that facilitates the acquisition (and in some circumstances, disposal) by members of indirect interests in residential investment properties. The BrickX Platform is a single registered managed investment scheme comprising a series of trusts (BrickX Trusts), interests in which are available only to Members of the platform together with other benefits, such as a buy and sale facility.

Each residential investment property is held in a BrickX Trust, a unit in which is referred to as a Brick. A Brick represents a beneficial interest in the property (or properties) held by a BrickX Trust and gives the holder a proportional entitlement to any benefits generated by that property after the payment of all costs, interest and expenses relating to that property.

The BrickX Platform can provide access to current property industry valuations and analytical data, providing a transparent overview of each property investment listed on the BrickX Platform to assist a member in making informed investment decisions.

The BrickX Platform also enables members to buy and sell Bricks, which are issued, acquired and disposed of by the Responsible Entity. The Licensee (and its representatives) arranges for the Responsible Entity to undertake this activity.

The properties held in each BrickX Trust are typically insured. The Licensee (and its representatives) arrange for any insurance on behalf of each BrickX Trust. To facilitate the operation of the BrickX Platform (including those activities described above), the Licensee is authorised to:

- provide general financial product advice in relation to interests in managed investment schemes (excluding investor directed portfolio services);
- issue, apply for, acquire, vary or dispose of interests in its own managed investment schemes (excluding investor directed portfolio services); and
- apply for, acquire, vary or dispose of general insurance products and interests in managed investment schemes (excluding investor directed portfolio services) on behalf of another person, and
- operate the BrickX Platform as responsible entity,

to retail and wholesale clients. The Licensee provides these products and services through its representatives (which includes BrickX as authorised representative of the Licensee) and employees and officers of the Licensee and BrickX.

General advice warning

Any financial product advice provided by the Licensee, BrickX, or their representatives in relation to the BrickX Platform or Bricks or BrickX Trust, including on the BrickX Platform website, is general advice only and has been prepared without taking into account your objectives, financial situation and needs. You should consider the appropriateness of the advice in light of your own objectives, financial situation and needs, before acting on the advice. You should also read the Product Disclosure Statement (and the Additional Disclosure Document for each BrickX Trust) and consider whether interests in the BrickX Platform or any BrickX Trust are right for you.

Fees, commissions and other benefits we may receive

The Licensee, and its representatives, do not charge you a fee for providing you with general financial product advice.

BrickX will receive the following fees in connection with providing financial services in relation to the BrickX Platform:

- a fee of 0.5% of the Brick price value of any Buy Order upon acquisition of a Brick (payable out of the purchasing member's Digital Wallet at the time a Brick is purchased); and
- a fee of 0.5% of the Brick price value of any Sell Order is payable upon the sale or redemption of a Brick (payable out of the proceeds of an executed sell or redemption transaction).

These fees will be deducted by the Licensee and paid to the Manager monthly and within 30 days of the end of each month.

In addition to these fees, BrickX will be paid an amount of up to 6% of gross rent received from each tenanted property for which it is the property manager, before making any distributions to Brick Holders. This amount constitutes a property management fee and is calculated monthly in arrears, and paid within 30 days of the end of each month. Where a third party property manager is instead engaged to manage tenanted properties, this amount is paid to the third party property manager rather than BrickX. The property management fee will be disclosed in the Additional Disclosure Document specific to each BrickX Trust.

BrickX is also entitled to:

- an investment management fee of up to 2% per annum of the Gross Asset Value (being the total of current and non-current assets) of the BrickX Platform calculated daily, and paid in arrears within

30 days of the end of each month. If the Gross Asset Value is not determined on a day, then the fee is calculated on the Gross Asset Value last determined; and

- a performance fee of up to 30% of the amount that the particular BrickX Trust outperforms the benchmark return over the financial year. The benchmark return is specified in the Additional Disclosure Document for the specific BrickX Trust. The performance fee is estimated each month, and the monthly estimate paid out of the assets of the relevant BrickX Trust within 10 days of the end of each month. A true up occurs at the end of each financial year, and any underpayment is either paid to BrickX from the assets of the BrickX Trust, and any overpayment is paid to the BrickX Trust by BrickX, within 30 days of the end of each financial year.

The property management fee, investment management fee and performance fee for the relevant BrickX Trust will be set out in the Additional Disclosure Document for the specific BrickX Trust.

The Licensee is paid fees for acting as responsible entity of the BrickX Platform and each BrickX Trust. The fee is the greater of \$50,000 per annum or 0.15% of the total value of current and non current assets of the BrickX Platform plus the balances of members' Digital Wallets. This is paid by BrickX and not by Members.

An application fee of \$10 is also payable to the Licensee on first becoming a member of the BrickX Platform (but members receive a \$10 credit to their Digital Wallets).

Employees of the Licensee and BrickX are remunerated by way of salaries, bonuses or other benefits relevant to their role, as offered by BrickX from time to time at its discretion. Certain employees may also participate in an employee share option scheme, that are vested over a defined period. These share options are not performance-based but aim to retain key employees. The amount of bonuses and other benefits depend on various factors including the performance of the employee during the year, and in some cases meeting certain targets, as well as the overall financial performance of BrickX and the BrickX Platform. Employees are not paid any remuneration for providing you with general financial product advice.

The BrickX Platform does not generally pay commissions or similar fees to financial advisers or any third parties. However, BrickX may from time to time run promotions, offers or incentives which may involve BrickX reimbursing or waiving certain fees that are payable by Members. BrickX may also appoint "sub-managers" (including other Members) to undertake certain functions of the Manager from time to time for one or more BrickX Trusts. This may include the establishment, marketing and management of individual BrickX Trusts and Property Campaigns. BrickX may provide financial incentives or rewards to these sub-managers. For example, BrickX may agree with the sub-manager that in consideration of the services provided by the sub-manager, BrickX will pay the sub-manager part of the investment management fee or performance fee to which BrickX is entitled. Unless otherwise notified to Members or disclosed in an Additional Disclosure Document, any costs associated with these activities will be funded entirely by BrickX from its own funds (or from the fees received by BrickX under the management arrangements for the BrickX Platform and BrickX Trusts) and will not otherwise be drawn from, or impact upon the assets of, the BrickX Platform or any BrickX Trust.

Subject to the law, BrickX may incur general product marketing costs in relation to the BrickX Platform and the BrickX Trusts. However, unless otherwise notified to Members or otherwise disclosed in an Additional Disclosure Document the costs will be paid by BrickX or an entity within the BrickX group of companies, out of its own funds and these additional costs will not be borne by Members (provided that these fees and costs may be met from the fees received by BrickX under the or from the fees received under the management arrangements for the BrickX Platform and BrickX Trusts).

BrickX may receive an arrangement fee of up to 10% of the Gross Asset Value (being the total of current and non-current assets) of the relevant property being purchased from the vendor when purchasing a property for a BrickX Trust. The arrangement fee will be payable by the vendor and not out of the assets of the relevant BrickX Trust.

BrickX may receive and retain introduction fees from financiers to the relevant BrickX Trust for introducing the relevant BrickX Trust to the financier.

BrickX may receive connection fees and introduction fees for providers of services to the relevant BrickX Trust.

All fees and charges in this document are quoted exclusive of any taxes, including GST.

Relationships and associations

The Licensee is a wholly-owned subsidiary of BrickX. The Licensee, its authorised representatives, employees and associates will act exclusively in relation to the BrickX Platform and will not act for the benefit of issuers of other financial products.

How we handle complaints

The Licensee has procedures in place to properly consider and deal with any complaints made in relation to its conduct as a holder of an Australian financial services licence or BrickX's conduct as an authorised representative.

If you have a complaint, in the first instance, you should contact the Licensee's Compliance Officer on 02 9247 9687 or write to the Compliance Officer at the address in the contact details below. The Compliance Officer will acknowledge receipt of the complaint as soon as possible (generally within five working days) and make every effort to resolve the complaint within one month.

If your complaint is not resolved to your satisfaction you can contact the following independent external complaints resolution scheme of which the Licensee is a member:

The Australian Financial Complaints Authority:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)¹

Mail: Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

The Licensee has procedures in place to properly consider and deal with any complaints made in relation to BrickX's conduct as an authorised representative.

Compensation arrangements

The Licensee has professional indemnity insurance cover which it believes satisfies the requirements under section 912B of the Corporations Act 2001 (Cth) having regard to:

- the liabilities which may arise out of The Australian Financial Complaints Authority; and
- our financial services business.

The Licensee's professional indemnity insurance covers the conduct of our representatives and employees while engaged by the Licensee and the cover provided is unaffected by the termination of their engagement.

Contact details

Our contact details are below:

*Level 23, 101 Collins Street,
Melbourne VIC 3000*

*Phone: 02 8766 0566
Email: info@brickx.com*