

# Approved Products List – v 2.2

## Adviser and internal use only

Not to be given to clients.

PFP Financial Services Pty Ltd (PFP FS) may change, delete, suspend, or discontinue parts of or all of this document in its entirety, at any time without prior notice.

Any financial product which is detailed below is approved for use subject to any listed conditions.

Advisers must ensure:

- All recommendations are in the client's best interest and appropriate.
- They have adequate knowledge of the product before recommending it.
- Any recommendation also complies with other relevant Licensee standards
- They use the same research criteria for both retail and wholesale clients.

## Index

1 Life Office and Friendly Society Products

2 Direct Fixed Interest Securities

3 Unit Trust / Managed Funds

4 Investor Directed Portfolio Services (IDPS) – Wraps & Master Trusts

5 Listed Securities

6 Blended Portfolios

7 Income Products

8 Margin Lending

9 Approved Services

10 Non-Approved Products

| 1 Life Office and Friendly Society Products     |                                                                                                                                                                                               |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pure life risk insurance products               | Any pure life risk insurance product issued by an APRA regulated entity is approved.                                                                                                          |
| Insurance, investment or friendly society bonds | Any insurance, investment or friendly society bond issued by an APRA regulated entity is approved.<br>However, the underlying investments must meet the “unit trusts/managed funds” criteria. |



PFP Financial Services Pty Ltd

ABN 45 653 557 405 | www.pfpgroup.com.au | Tel: 1300 969 737



## 2 Direct Fixed Interest Securities

Only listed fixed interest securities subject to the criteria under “Listed Australian securities”.

## 3 Unit Trust / Managed Funds

|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Superannuation funds                                              | Any APRA regulated complying superannuation fund is approved.<br>However, the underlying investments must meet the “unit trusts/managed funds” criteria.                                                                                                                                                                                                                                                                                  |                    |
| Single manager funds and index funds                              | Any single manager Managed Investment Scheme (MIS) or Separately Managed Account (SMA) which meets the following criteria:                                                                                                                                                                                                                                                                                                                |                    |
|                                                                   | <b>Lonsec</b>                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Morningstar</b> |
|                                                                   | Highly recommended                                                                                                                                                                                                                                                                                                                                                                                                                        | Gold               |
|                                                                   | Recommended                                                                                                                                                                                                                                                                                                                                                                                                                               | Silver or Bronze   |
| SMAs                                                              | As SMAs are not widely researched, if there is a researched MIS that has a near identical investment mandate to the SMA, and that research meets the criteria under “Single Manager and Index Funds” then the SMA is approved.                                                                                                                                                                                                            |                    |
| mFunds                                                            | Where the mFund’s mandate exactly matches the APIR coded fund it is approved provided the research rating meets the APL requirement for the APIR coded fund.                                                                                                                                                                                                                                                                              |                    |
| Ethically & socially responsible funds                            | Due to the smaller selection of products, the following criteria applies.                                                                                                                                                                                                                                                                                                                                                                 |                    |
|                                                                   | <b>Lonsec</b>                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Morningstar</b> |
|                                                                   | Highly recommended                                                                                                                                                                                                                                                                                                                                                                                                                        | Gold               |
|                                                                   | Recommended                                                                                                                                                                                                                                                                                                                                                                                                                               | Silver or Bronze   |
|                                                                   | Investment grade                                                                                                                                                                                                                                                                                                                                                                                                                          | Neutral            |
| Exchange traded funds (ETFs) & Listed Investment companies (LICs) | ETFs & LICs are approved subject to meeting the research ratings listed under “Single manager funds”. A “look through” approach must be used when recommending ETFs. This means advisers must allocate ETFs to a specific asset class according to the underlying investments of the ETF. E.g., an ETF which invests in international shares would be allocated to the “international shares” component of the client’s asset allocation. |                    |



#### 4 Investor Directed Portfolio Services (IDPS) – Wraps & Master Trusts

Any of the following IDPS's managed by:

- An APRA regulated entity, an ASX listed company or a subsidiary of either.
- A firm which has been in the IDPS management business for 5 years or more.
- However, the underlying investments must meet the "unit trusts/managed funds" criteria.

#### 5 Listed Securities

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Listed Australian securities    | <p>Research houses and/or stockbrokers use different terms when providing their view of a security. The following applies:</p> <ul style="list-style-type: none"><li>• Only shares listed within the ASX 200 can be recommended.</li><li>• Any share which has a rating stated under the "Single Manager &amp; Index Funds" is approved.</li><li>• Any rating which implies a purchase or a hold is approved to purchase, e.g., buy, accumulate, etc.</li><li>• Recommendations must be supported by at least one research report from a broker or research house as listed above. These research reports must be provided to the client when the recommendation being made.</li><li>• Any rating which implies a "sell" means the adviser must consider recommending the client sell the security. However, if the client's circumstances don't warrant selling the security, then the adviser can recommend the client hold the security. However, this must be documented and the reasons kept on file.</li><li>• Any company option, convertible note, fixed interest security, preference share or warrant over any share in the ASX 200 subject to the same ratings criteria as ordinary listed shares above.</li><li>• Any initial public offering (IPO) which meets the criteria under "Single Manager &amp; Index Funds" or is recommended.</li><li>• Advisers must have regard to appropriate diversification when recommending listed securities.</li></ul> |
| Overseas listed securities      | Not approved                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Warrants                        | <p>Investment warrants are approved subject to the "Single manager and index funds" criteria.</p> <p>Trading warrants are not approved.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Listed security trade execution | Any stockbroker can be used                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



## 6 Blended Portfolios

|                                                   |                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Multi-manager portfolios                          | <p>Multi-manager portfolios which have an adequate research rating are approved.</p> <p>Multi-manager portfolios which do not have an adequate research rating are approved subject to a limit of 20% held with any one fund manager.</p> <p>Multi-manager portfolios constructed by one of the approved research providers are approved.</p> |
| Multi-asset portfolios                            | <p>Multi-asset portfolios constructed by one of the approved research providers are approved.</p>                                                                                                                                                                                                                                             |
| Multi-manager portfolios / Multi-asset portfolios | <p>Portfolios that are a mix of multi-manager / multi-asset portfolios constructed by one of the approved research providers are approved.</p>                                                                                                                                                                                                |
| Stockbroker portfolios                            | <p>Any listed security portfolio constructed by an ASX stockbroker which consists of listed securities (excluding mFunds &amp; ETFs) is approved.</p>                                                                                                                                                                                         |

## 7 Income Products

|                           |                                                                                                                                                                                                                                  |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic income products     | <p>The following are approved:</p> <ul style="list-style-type: none"><li>• Any cash account or term deposit by an APRA registered entity.</li><li>• Any cash management trust.</li><li>• Any cash account in any IDPS.</li></ul> |
| Mortgage funds            | <p>Refer to “Single Manager and Index Funds” for relevant criteria.</p>                                                                                                                                                          |
| Foreign currency accounts | <p>Any cash account underwritten by an Australian Bank is approved.</p>                                                                                                                                                          |

## 8 Margin Lending

The following criteria apply:

- Any margin lending product is approved.
- The underlying investments must meet the criteria on this APL

## 9 Approved Services

The following services are approved for advisers to use:

- Australian Money Market.
- FIIGS
- The Term Deposit Shop



### 10 Non-Approved Products

- |                                                                                                                                   |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Unlisted property</li><li>• Structured products</li><li>• Agribusiness products</li></ul> | <ul style="list-style-type: none"><li>• Derivatives</li><li>• Private equity products</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|

### Version control

| Version No. | Date      | Initial                                                                                                                                                                     | Approved by | Effective date |
|-------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|
| 1.0         | 1 Mar 22  | MGH   PJM                                                                                                                                                                   | CRMC        | 1 Mar 22       |
| 2.0         | 13 Mar 24 | Changes to listed securities allowing advisers to purchase listed Australian securities where the research states a hold.                                                   | MGH   PJM   | 13 Mar 24      |
| 2.1         | 1 Sep 25  | Remove SQM as a research house. Remove multi-asset blended portfolios as automatically approved. Restrict multi-manager portfolios with no research to 20% with one manager | MGH   PJM   | 1 Sep 25       |
| 2.2         | 2 Sep 26  | Remove Zenith as an approved research house.<br>Automatically approve multi-manager and multi-asset portfolios constructed by one of the approved research houses           | MGH   PJM   | 2 Sep 25       |