



FEXCO Stockbroking Limited

Frequently Asked Questions



www.fexcostockbroking.com

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1. **Who is FEXCO Stockbroking Limited?**

FEXCO Stockbroking Limited is Ireland's leading independent private client stockbroker. We offer low-cost share dealing with trading links to the Irish, UK and US exchanges with immediate transaction of trades at real time prices. FEXCO Stockbroking Limited is regulated by the Financial Regulator and is a member firm of the Irish Stock Exchange and the London Stock Exchange. We provide advisory and execution-only share dealing services through our offices in Dublin and Cork.

2. **What type of share dealing accounts can I open with FEXCO Stockbroking Limited?**

FEXCO Stockbroking Limited offers two types of share dealing accounts. With both of these accounts your details, cash and stock are held electronically affording you real time trading capability.

With a FEXCO **Nominee Account**, FEXCO Stockbroking Limited takes care of the paperwork and administration for you. With this account you avoid unnecessary documents from the registrars, you get regular statements showing your shareholdings, dividends are paid directly into your account and you can instruct our dealers to buy or sell shares instantly as your cash and stock is held electronically. With a nominee account Pershing Securities International Limited is the legal owner of the shares and you are the beneficial owner. The account setup fee for this type of account is €20 and the annual maintenance charge is €40 payable in two amounts of €20 in May and November each year*.

Similar to the FEXCO nominee account, with the FEXCO **CREST Personal Member Account ("PMA")** you get regular statements showing the shares you hold and any trading you have carried out and you can instruct our dealers to buy or sell shares instantly as your cash and stock is held electronically. With the PMA, your name will appear on the register as the legal owner of the securities and all company information, dividend distributions and voting documentation will be sent directly to your registered address by the registrar. Pershing Securities International Limited act as your CREST PMA sponsor giving you the security that your shares will be held electronically in your own name. The account setup fee for this type of account is €50 and the annual maintenance charge is €50 payable in two amounts of €25 in May and November each year.*

If you are unsure which account best suits your needs, or you have additional questions, our Client Services Team would be happy to discuss this with you.

3. What types of services does FEXCO Stockbroking Limited offer?

FEXCO Stockbroking Limited offers its clients **advisory** and **execution-only** share dealing services.

If you opt for an **Advisory** account our dealers will give you information and advice on stock selection and portfolio structure. With this type of service you are involved in all decisions on your account and no purchases or sales are made without your specific instructions.

If you opt for an **Execution-Only** account our dealers will buy or sell shares that you have chosen yourself, without offering any advice.

There is no extra charge for opting for an Advisory account. In order to open an Advisory account we require you to provide us with information relating to your knowledge and experience with investments, investment objectives, risk profile and financial background so that we may assess the suitability of advice given to you (Parts B, C and D of the Client Application Form). If you fail to provide us this information we may only provide you with an Execution-Only level of service.

4. What documents must I submit to FEXCO Stockbroking Limited to open an account?

To open a share dealing account with FEXCO Stockbroking Limited you must submit the following documents:

FEXCO Nominee Account	FEXCO CREST Personal Member Account
Client Application Form	Client Application Form
Anti-money laundering documents	Anti-money laundering documents
Account opening fee of €20 by way of personal cheque or bank draft	CREST Personal Member Admission Document
	Account opening fee of €50 by way of personal cheque or bank draft

Advisory Clients

Please complete all parts of the Client Application Form, that is, **Parts A to F**. In addition all applicants should furnish satisfactory anti-money laundering identity verification documentation as listed in **Part E** (Identification Requirements) of the Client Application Form. If you fail to complete all or part of **Part B** (Knowledge and Experience), **Part C** (Investment Objectives and Risk Profile) and **Part D** (Financial Background) of the Client Application Form. FEXCO Stockbroking Limited will not be able to provide you with an advisory share dealing service. In these situations FEXCO Stockbroking Limited will only be able to provide you with an execution-only service.

Execution-Only Clients

Please complete **Parts A, B, E and F** of the Client Application Form. In addition all applicants should furnish satisfactory anti-money laundering identity verification documentation as listed in **Part E** (Identification Requirements) of the Client Application Form. Please note that if you do not complete **Part B** (Knowledge and Experience) in whole or in part and you wish to transact in complex instruments, FEXCO Stockbroking Limited may not be in a position to determine whether such transactions are appropriate for you.

5. Why do I need to provide anti-money laundering documents?

All financial services firms have stringent requirements to identify their clients for the purposes of the anti-money laundering legislation. In order to open an account we require you to furnish us with some information and certain documentation for this purpose. Please refer to Part E of the Client Application Form for more details.

6. Why am I classified as a retail client and can I request to change my classification?

All of our clients are classified as retail clients. As a retail client you are afforded the highest level of investor protection provided under Irish and EU investment services law. You may request to be classified as a professional client; however this classification will mean that you are afforded a lower level of investor protection. Under investment services law FEXCO Stockbroking Limited retains the right to refuse any request to change your categorisation.

7. I want to nominate additional people to trade on my behalf, what do I need to do?

To nominate additional authorised person(s) to trade on your account on your behalf, please contact our Client Services Team on Lo-Call 1850 227 228 or +353 1 637 3080 and they will provide you with a Power of Attorney Form to complete and a list of required anti-money laundering documentation for the nominated person(s).

8. What are “Investment Objectives”?

You are required to choose from one of the three following statements which best describes your requirements:

Income: The objective of this portfolio is to produce a stable level of income for the investor. The portfolio would typically comprise of fixed income securities that generate dividend income and provide scope for future growth following an investment time horizon of at least 3 to 5 years.

Capital Growth: The objective of this portfolio is to achieve long-term capital growth. The portfolio would typically contain equities including medium and higher risk investments in smaller companies, high growth sectors of the market, international markets and alternative investment classes. Clients in a capital growth portfolio should be willing to accept a higher degree of day-to-day volatility to achieve the growth objective and should have an investment time horizon of at least 5 years.

Balance Income and Growth: The objective of this portfolio is to achieve a balance between income and potential for capital growth. The portfolio would typically comprise of fixed income securities and equities containing low, medium and high risk securities in order to achieve potentially higher returns over an investment time horizon of at least 3 to 5 years.

9. What is a “Risk Profile”?

You are required to choose from one of the three following statements which best describes your attitude to risk bearing in mind your investment objectives:

Low Risk: You have a preference for little risk and low volatility and will accept potentially lower returns to reduce the exposure of the portfolio to market volatility and to losses.

Medium Risk: You have a preference for medium risk which means you accept some volatility and will assume an average amount of market risk and volatility or risk of loss of capital in order to achieve potentially higher returns than a low risk portfolio.

High Risk: You have a preference for more aggressive investments with the hope of achieving corresponding higher gains and will assume above average market risk and volatility and the potential for a significant risk of loss of capital in order to achieve higher potential returns.

10. What does it mean by “Value of Personal Liquid Assets” in the Client Application Form?

This figure is what you estimate to be the total value of all liquid assets including cash deposits and other cash savings, shares, government and commercial bonds, units in collective investment schemes (investment funds, UCITS, unit trusts, hedge funds, mutual funds etc.) and any other liquid assets that you currently possess.

11. What does it mean by “Regular Financial Commitments” in the Client Application Form?

This figure is the sum of your yearly regular financial commitments including your mortgage payments/rent, pension contribution, personal loan/credit card repayments, other living expenses and any other regular financial commitments.

12. How do I place my first trade?

Once your account opening documentation has been received and processed (Client Application Form, anti-money laundering documents and account opening fee), FEXCO Stockbroking Limited will issue your account number to you in the post. We require **full funds in advance of your first trade** if your first trade is a purchase. If your first trade is a sale we require you to either transfer the stock electronically from another broker to your new FEXCO share dealing account or furnish us with the share certificate and a signed CREST Transfer Form. Please contact our Client Services Team on Lo-Call 1850 227 228 for more details. Once funds or shares are lodged into your new FEXCO share dealing account you may commence trading by contacting our dealing department on Lo-Call 1850 227 228 (Dublin dealing desk) or 021 494 3390 (Cork dealing desk) or alternatively call into our office to place the trade in person.

13. How do I lodge money into my FEXCO share dealing account?

You may lodge money into your FEXCO share dealing account by submitting a personal cheque or draft made payable to Pershing Securities International Limited to Pershing Securities International Limited, 2nd Floor, Hanover Building, Windmill Lane, Dublin 2. Please attach your FEXCO account number and name on the payment to ensure speedy allocation to your account. Please note we cannot accept credit or debit cards, postal orders, cash or any third party payments (cheques, drafts or transfers).

You may also lodge money into your FEXCO share dealing account by transferring money electronically to the account details as follows:

Euro

Account Name: Pershing Securities International Ltd.

Bank: Ulster Bank, Dublin

Sort Code: 98 50 10

Account: 31911845

BIC: ULSBIE2D

IBAN: IE72 ULSB 9850 1031 9118 45

Sterling

Account Name: Pershing Securities International Ltd.

Bank: Royal Bank of Scotland

Sort Code: 16 04 00

Account: 20223091

BIC: RBOSGB2L

IBAN: GB73 RBOS 1604 0020 2230 91

Dollars

Account Name: Pershing Securities International Ltd.

Bank: Citibank N.A. New York

Account: 36828053

BIC: CITIUS33

Please include your FEXCO share dealing account number on all payments otherwise allocation to your account will be substantially delayed.

14. Does FEXCO Stockbroking Limited provide credit facilities?

No, FEXCO Stockbroking Limited does not provide credit facilities. Settlement for purchases must be received prior to the settlement date on your contract note and clients are not permitted to be overdrawn or be in debit with respect to any of their accounts. FEXCO Stockbroking Limited retains and may exercise the right to sell the securities bought on your behalf in the event of cleared funds not being received prior to settlement with recourse to any shortfall. In the event of late payment, FEXCO Stockbroking Limited reserves the right to charge interest on overdue accounts in accordance with the Terms of Business. We suggest full funds in your account when giving the instruction to purchase the shares to ensure clean settlement.

15. What are share certificates and can I request them when I purchase stock?

With **share certificates** you physically hold the stock in materialised form, you legally and beneficially own the shares, you receive all documents, you can sell them through any broker and you get your dividend directly from the Registrar. Please note that share certificates are costly to replace if lost or stolen, they expose you to fraud if they fall into wrong hands and you must present them physically to FEXCO Stockbroking Limited if you decide to sell your shares (this time delay in selling could lose you money if the share price falls). Please also note some shares cannot be materialised and you may have difficulties selling materialised US share certificates with Irish brokers. You may request a share certificate from the Client Services Team when you purchase stock. They will confirm whether the stock can be materialised and the costs of issuing the certificate to you.

16. What happens if I lose a share certificate?

If you lose a share certificate you must contact the registrar who will arrange for you to complete a "Letter of Indemnity". Once this is done, the registrar will send you a duplicate share certificate. The registrar is a company which keeps a record of the names, addresses and the number of shares held by each shareholder for the publicly listed company. The Registrar may charge you a fee for this service.

17. What are the Terms of Business?

The Terms of Business are the terms that govern the legal relationship between FEXCO Stockbroking Ltd, Pershing Securities International Ltd (PSIL) and the retail

client where that client has opted to avail of FEXCO Stockbroking Limited's advisory service or execution-only service. Once you sign the relevant application form the applicable terms of business will become legally binding on you. Therefore you should read such terms and conditions carefully prior to opening an account and if you have any queries you should contact our Client Services Team to discuss them and/or you should obtain independent legal or financial advice about it.

18. What does “At Best” mean?

When you place an order to buy or sell shares, you place that order with the dealer “at best”. At best is the prevailing market price available to FEXCO Stockbroking Limited for the particular share at the time of trading. Deal quotations are available on request; however you should note that the market price may have changed between the time of our giving a quotation and the execution of your instructions.

19. What is a limit order?

A limit order allows you to limit either the maximum price you pay or the minimum price you are willing to accept when buying or selling a stock. The main consideration you should take into account before placing a limit order is that the stock price may never fall (or rise) to the limit you've established and your order may never be executed. In addition you should agree with the dealer how long you wish the limit order to be valid. Limit orders for Irish and UK securities may be placed good for the day or good for the week (five business days) and expire at the end of the last trading day of the limit order period. Limit orders for US stock may only be placed good for the day. Please refer to the Terms of Business for more information.

20. What is the trade settlement period for stocks?

Once a deal has been made, the settlement process transfers stock from seller to buyer and arranges the corresponding movement of money to transfer between buyer and seller. The settlement day is the day on which purchases (funds due from you to PSIL) and sales (funds due from PSIL to you) of stock are due for payment. The standard settlement period for Irish, UK and US equities is T+3 (i.e. settlement is three working days after the trade date). The dealers would be happy to discuss alternative settlement periods for specific trades.

21. Who is Pershing Securities International Limited and what does it do?

Pershing Securities International Limited (PSIL) provides settlement, safe custody, nominee and associated services for you on behalf of FEXCO Stockbroking Limited. PSIL is regulated by the Financial Regulator, is a member of the Irish and London Stock Exchanges and is a subsidiary of the Bank of New York Mellon, the world's largest securities servicing provider. It has extensive industry experience in the provision of financial services outsourcing and is the largest provider of settlement, clearing and custody services in Ireland, providing these services to five other Irish stockbrokers.

22. What are the risks in investing in shares and securities?

Our services relate to investments whose price depends on fluctuations in the financial markets outside our control. The price or value of investments may fluctuate significantly and the value of investments may go down as well as up. Please note you are not certain to make a profit, you may make a loss or you may lose your entire investment. If there are income distributions, they may also fluctuate significantly. Past performance is not an indicator of future performance. By opening a share dealing account you are confirming that you understand and accept these risks. Please refer to Clause 5.2 – Risk Warning of the Terms of Business for more details.

23. What are the tax implications of trading shares?

There are a number of taxes which may be applicable to your purchase, sale or holding of shares such as stamp duty, capital gains tax and dividend withholding tax. Each client is strongly recommended to obtain their own tax advice from a qualified professional.

24. Data Protection

FEXCO Stockbroking Limited is registered as a Data Controller and PSIL is registered as a Data Processor with the Data Protection Commissioner. The information that you provide to FEXCO Stockbroking Limited and PSIL will be held on a computer database and/or in any other form so that we can administer your share dealing account and provide share dealing services to you. To prevent or detect fraud we may pass information to financial or other organisations involved in fraud prevention to protect ourselves and our customers from theft and fraud. You have the right of access to the personal data held about you by FEXCO Stockbroking Limited by sending a written request to the Compliance Officer,

FEXCO House, 12-14 Ely Place, Dublin 2, and on payment of a fee of €6.35. You have the right to require FEXCO Stockbroking Limited to correct any inaccuracies in the information we hold on you. In accordance with Irish Stock Exchange Rules we record all telephone calls to ensure accuracy of instructions. Please refer to refer to our Terms of Business for further details.

25. I want to make a complaint, who can I contact?

If you are not happy with the service you get from FEXCO Stockbroking Limited and would like to make a complaint, you should contact our Client Services Team or the person you normally deal with on Lo-Call 1850 227 228. Many problems can be sorted out quickly and simply in this way. If you are not satisfied with their response, you should contact the Compliance Officer, FEXCO Stockbroking Limited, FEXCO House, 12-14 Ely Place, Dublin 2, Ireland, and he will investigate your complaint fully. You have the right to refer your complaint to the Financial Services Ombudsman.

26. I've read the pack and I have more questions, who can I contact?

If you have any questions or wish to clarify the account opening options available to you, please contact our dedicated

**Client Services Team on Lo-Call
1850 227 228.**

* Account fees as at 20/03/09.

Please visit www.fexcostockbroking.com/costs for current account fees



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FEXCO Stockbroking Limited is regulated by the Financial Regulator
and is a member of the Irish Stock Exchange and the London Stock Exchange.