

Artificial Intelligence Transparency Statement

Morgans Financial Limited

1. Purpose of this statement

Morgans Financial Limited is committed to using technology responsibly and transparently to support our clients and protect their interests. This statement explains how we use artificial intelligence (AI) in our business, the benefits and limitations of AI, and the safeguards we have in place to ensure fair, accountable, and compliant outcomes.

Our approach is consistent with our obligations as an Australian Financial Services Licensee (AFSL 235410) and aligns with ASIC's expectations regarding governance, consumer protection, and responsible innovation.

2. What we mean by artificial intelligence

Artificial intelligence refers to computer-based systems that analyse data to identify patterns, generate insights, or assist with predictions and recommendations. These systems support human decision-making; they do not replace professional judgement.

3. How we use AI in our business

We use AI in a limited, controlled, and supervised way across the following areas.

Investment and portfolio analysis

AI tools may help analyse market data, asset correlations, and portfolio risk characteristics to support our advisers and investment teams. These insights inform, but do not determine, investment decisions.

Risk assessment and monitoring

AI may assist in identifying changes in client risk profiles, portfolio volatility, or market conditions so that risks can be reviewed promptly by our professionals.

Client service and communications

AI may be used to support client communications, such as drafting responses, summarising information, or helping answer general enquiries. Final communications are reviewed by staff before being provided to clients.

Compliance and regulatory reporting

AI may assist with monitoring transactions, reviewing documents, or identifying potential compliance issues to support our regulatory obligations.

Fraud detection and security

AI may help detect unusual activity or patterns that could indicate fraud or cyber risk, enabling faster investigation and response.

Market research and insights

AI may assist in analysing publicly available data and research to support our understanding of market trends.

4. Human oversight and decision-making

AI does not make final decisions about your investments or financial outcomes.

- All material decisions affecting clients are made or approved by qualified professionals.
- AI outputs are reviewed, tested, and where necessary challenged by humans.
- Clients have the right to request human review of decisions that have been influenced by AI-supported analysis.

This approach reflects ASIC's expectation that AI should augment, not replace, human judgement in consumer-facing financial services.

5. Governance, accountability, and oversight

We maintain governance arrangements to manage AI-related risks, including:

- Clear accountability for AI use at senior management level.
- Risk assessments for AI use cases, particularly those that may affect clients.
- Ongoing monitoring and review of AI system performance.
- Controls to address risks such as bias, errors, or inappropriate reliance on AI outputs.

We remain accountable for all outcomes, regardless of whether AI tools are used to support our processes.

6. Data privacy and security

We handle personal information in accordance with the Australian Privacy Principles.

- AI systems only access data necessary for their intended purpose.
- We apply security controls to protect data from unauthorised access or misuse.
- We do not use client data to train external AI systems without appropriate safeguards.
- Personal information is not shared with third parties except where permitted by law or with appropriate protections in place.

Protecting client confidentiality and data security is a core priority.

7. Fairness and consumer protection

We are committed to treating clients fairly and avoiding harm.

- AI systems are assessed for potential bias or unintended impacts.
- We do not rely on AI systems that cannot be reasonably explained or understood.
- AI is not used to manipulate client behaviour or create misleading impressions.

Our obligations to act efficiently, honestly, and fairly apply equally when AI tools are involved.

8. Limitations and risks of AI

While AI can improve efficiency and insights, it has limitations:

- AI outputs depend on the quality and relevance of data.
- AI cannot predict markets with certainty or guarantee investment outcomes.
- AI systems may produce errors or incomplete insights if not properly supervised.

For these reasons, AI is used as a support tool, not a substitute for professional expertise.

9. What this means for clients

As a client, you can expect that:

- AI supports, but does not replace, human advice and decision-making.
- Your interests remain central to all outcomes.
- You may ask how AI has been used in relation to your services.
- You may request a human review of AI-influenced decisions.

10. Questions or concerns

If you have questions about our use of AI or would like more information, please contact:

Morgans Financial Limited

Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000

Email: info@morgans.com.au

Phone: (07) 3334 4888

Closing statement

We believe responsible use of AI can enhance our services while maintaining trust, fairness, and accountability. We will continue to review and update our approach as technology and regulatory expectations evolve.