

# Financial Services Guide

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## Australian Investment Exchange Limited

ABN 71 076 515 930  
AFS Licence No 241400  
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### Part A – Financial Services Guide

#### What is a Financial Services Guide?

This Financial Services Guide (FSG) has been prepared by Australian Investment Exchange Limited (“provider”, “we”, “us”, “our”, “Participant”) to assist you in deciding whether to use any of our services. This FSG sets out the financial services and the types of financial products that we are authorised to provide under our Australian Financial Services Licence, number 241400.

This FSG also contains important information about our services, how we are remunerated, any potential conflict of interest we may have and the procedures we follow when dealing with complaints.

You should read this guide carefully along with any other disclosure documents you may receive. Whilst we do not provide personal advice or recommend financial products, we may provide you with a Product Disclosure Statement (“PDS”) if we offer or arrange to issue a financial product to you. The PDS sets out important information that you need to carefully consider when you are about to acquire a product. Information contained in a PDS includes the cost of the product, risks associated in acquiring the product, and other features you may need to carefully review before taking up the product. A PDS for the products provided by us is available through our trading site or by request over the phone.

#### Who we are

We are a wholly owned subsidiary of IWL Limited and are primarily a provider of online share trading services and are bound by the National Privacy Principles that form part of the Privacy Act, 1988. This determines the ways in which we must treat personal information and covers personal information that may be gathered through the Internet, telephone, fax or post. A copy of our privacy policy is available on our trading website.

We do not provide financial planning services and do not provide personal advice. However, we do provide factual information to investors about products and markets and as this information may be considered to be general financial product advice, we are required to provide you with this FSG.

We do not provide advice about products suitable for your particular needs, objectives or financial circumstances, even if we comment on the current or future market conditions or prospects for products.

You should always consider the appropriateness of any information, in light of your own objectives, financial situation or needs before acting. If you are seeking to acquire a specific financial product, you should obtain a copy of, and consider, the PDS for that product before making any decision. You should consider and discuss with your financial adviser before making your own investment choice.

## Financial services we are authorised to provide

We are responsible for the financial services provided to you, including the distribution of this FSG. We have an Australian Financial Services Licence number 241400, and are a Participant of the ASX Group. Pursuant to our licence, we are authorised to deal in:

- deposit and payment products limited to basic deposit products;
- securities;
- derivatives
- interests in managed investment schemes including investor directed portfolio services; and
- custodial or depository services in relation to our nominee company, operated as part of our business.

## Placing an order or updating your personal details

You can provide your transaction instructions by telephone or through our website. All transactions are governed by our Terms and Conditions which are maintained on our website. You can update most of your personal details through our website. In some instances, we may require you to provide us with written confirmation of changes to your personal details for security or regulatory reasons.

## Some risks associated with investing

Although we do not provide personal financial product advice you should be aware that there are inherent risks associated with investing which include:

- Overall market risk – the risk of gain or loss by reason of movements in the share market generally;
- International risk – the vulnerability due to international events or international market factors;
- Sector risk – risk associated with an industry's specific products or services;
- Specific asset risk – risks associated with the specific investment;
- Research, model portfolios, and newsletter limitations – the research available through us is the opinion of specialist analysts, is time specific and cannot be guaranteed. Before acting on any advice contained in a research document or newsletter, you should assess whether the advice is appropriate in light of your own objectives or financial circumstances.

## How we are paid for providing financial services

### Brokerage commissions

Our primary source of income is from the brokerage paid on transactions made through our services.

E-Shares Pty Ltd will receive commissions from us on brokerage received by us from you on trades entered into by you arising from your use of the Sharetrading Service. The commission is a percentage of the brokerage value (usually no more than 18% depending on the type of trade and the transaction amount).

Our brokerage fees and charges are set out in Part B of this FSG. We charge our brokerage fees on the purchase and sale of executed transactions made through your account. We will deduct any government charges from the proceeds of a sale or add applicable government charges to the purchase price of orders you make.

Our brokerage fees may vary depending on the cash account balance you may have with us, the type of market information you request, the level of service you require and the frequency of your executed transactions. Minimum brokerage rates apply depending on the total consideration of the transaction and additional administration fees may also apply in certain circumstances.

Our brokerage fees are included on our contract notes/confirmations and cover various expenses we incur to deliver the services as well as a profit component. You may find further information about our products, services and fees through our trading website.

### Derivatives and Warrants

Before investing in derivative products, you should read the Exchange Traded Options PDS and associated ASX documentation.

Our derivative fees and charges are set out in Part B of this FSG.

An Exchange Traded Option contract is a contract to buy or sell underlying securities in a predetermined quantity, usually of 1000 units, at a predetermined price on, or before, a predetermined date. A \$1.12 Australian Clearing House fee per contract is applied for ETO transactions. In the case of index options, ACH charges \$0.39 per contract including GST, for both the transaction fee and the exercise fee.

Before investing in warrants, you should read the PDS specific to that warrant and associated ASX documentation.

### **Market information**

Our market information fees and are set out in Part B of this FSG. We charge monthly fees (excluding prepaid message alerts) if you choose to receive our Premium Information Services or Professional Information Services and offer rebates depending on the number of trades you execute.

### **Additional Services available to Professionals when using the Trading Pro application**

These services are available to Professional clients using Trading Pro. The additional services and charges are set out in Part B of this FSG.

In addition, selecting the Platinum service also provides you with advanced features that include DDE add-in for Microsoft Excel®, advanced charting and international market pricing. The fees applicable are not rebated when you trade 15 or more times during the month.

### **Conditional Orders**

A Conditional Order is an instruction to monitor a security for a set of predefined criteria. Once the criteria have been met an order is submitted to the market. Conditional Order fees and charges are set out in Part B of this FSG.

### **Margin Lending**

We may receive referral fees from time to time from Margin Lenders. These will vary depending on the Margin Lending provider and the balance of your loan. Generally we may earn a fee up to 1.5%. We may be able to offer additional brokerage benefits through some margin lenders. You may find further information about this through our trading website.

### **Cash management and trust account**

Cash management, money market and fixed interest products charge a variety of fees and varying rates of interest, which will be disclosed in any PDS provided. These may range from between 0.15% to 3% of account balances held with the product provider.

We are also required to maintain a trust account on your behalf to hold funds that are used for your share trading account. We will retain any interest that may be earned on this account.

### **Initial Public Offerings**

We may receive upfront fees, volume bonuses, other incentives and ongoing fees from time to time by making available Initial Public Offerings. These fees will vary depending on the offering at the time. More details about each offering will be located on the appropriate prospectus.

### **Research**

We source research, news and trading tips from a number of different providers. The names of the providers are shown near the information provided. We take no responsibility for the content of the information provided.

### **Other product offerings resulting in an ongoing commission**

In some cases we may refer you to a product provider whose product may compliment ours. In these instances we may receive a referral fee, trailing or ongoing commission ranging from 0% to 3%, depending on the nature and amount of business being referred. The premium is usually paid directly by the product provider from their revenue. However, in some instances, the commission may be deducted from your investment or premium you pay. Further information about each product is shown in the appropriate PDS.

### **Third party arrangements**

We may enter into arrangements to provide our range of services through third parties. The way we deliver those services, and the fees charged for them, may vary amongst third parties.

### **Employees**

Our employees do not provide personal advice and are entitled to receive an annual salary and may in some cases receive performance-based bonuses.

## How do we manage our compensation arrangements?

Where we are liable to meet a claim, payment will generally be paid from our cash flows and available resources.

For claims we may rely on and claim under the professional indemnity insurances that we hold. These insurances are between us and the insurer and are intended to respond to civil liability resulting from significant claims for compensation made against us for financial services provided by us.

These insurances provide cover even if one of our staff has ceased to act or work for us.

Our compensation arrangements comply with the arrangements required by Australian Securities and Investments Commission.

## How is customer information dealt with?

The privacy of your customer information is important to us. We collect your customer information to ensure that we are able to provide you with the products and services most appropriate to your needs.

Telephone conversations with AUSIEX may be recorded to ensure our service standards are met or exceeded and to allow records to be kept of the advice given and orders taken.

AUSIEX has adopted the principles set out in the Privacy Act as part of our continuing commitment to client service and maintenance of client confidentiality.

If you would like further information regarding this policy please contact us, by fax on (08) 9321 1553, or by telephone on 1300 655 626 (between 8am and 7pm AEST Monday to Friday).

## Disputes, Complaints or Suggestions

We value your business and are continually improving the service to our clients. If you have any suggestions on how our services can be improved, if you have a concern or complaint, or if you would like to compliment us on our service you may take one of the following steps:

Mail	PO Box 7428 Cloisters Square, PERTH, WA 6850
Telephone:	1300 655 626 or +61 8 9282 8580 (between 8am and 7pm AEST Mon-Fri)
Email:	<a href="mailto:cs@ausiex.com.au">cs@ausiex.com.au</a>
Fax:	+61 8 9321 1553

A copy of our Complaints Handling Policy is available on request by contacting us as above. A response will be prepared to ensure all matters you raise are investigated and responded to fully.

We are a member of the Financial Ombudsman Service Ltd. The Financial Ombudsman Service (FOS) is the dispute resolution scheme authorised to deal with complaints in relation to life insurance, superannuation, funds management, financial advice, investment advice and sales of financial or investment products. The FOS is contactable at PO Box 3, Melbourne VIC 3001 telephone 1300 780 808 or fax (03) 9613 6399.

In the event you are still not satisfied, the Australian Securities and Investment Commission has a toll free line on 1300 300 630 which you may use to lodge a complaint and obtain information about your rights.

**Part B – Fees Schedule applicable to:  
Grandbridge Securities Pty Ltd, ABN 84 087 432 353 (“E-Shares”)**

Online Share Trading Brokerage Rates <sup>1</sup>	
Internet Originated	
	Standard Brokerage Rates
Equities and Warrants	\$27.45 or 0.11% <sup>2</sup>
Exchange Traded Options (ETOs)	\$38.45 or 0.55% <sup>2</sup>
Conditional Orders <sup>6</sup>	\$9.95 upfront or \$14.95 on execution
Phone Originated	
Equities and Warrants Margin Lending/Third Party Settlement <sup>4</sup> Option Exercised/Assigned Option Exercised/Assigned – Margin Lending <sup>4</sup> Issuer Sponsored (SRN) Selling <sup>3</sup>	\$43.95 or 0.11% <sup>2</sup>
Exchange Traded Options Buy Write ETO – Margin Lending <sup>4</sup>	\$43.95 or 0.55% <sup>2</sup>

Frequent Trader Brokerage Rebates and Information Services			
	Casual	Premium	Professional
Internet Equity and Warrant orders only	N/A	\$5.50 rebate for 6th and subsequent trades per month	\$11 rebate for 6th and subsequent trades per month
Internet ETO orders only		\$5.50 rebate for 11th and subsequent trades per month	\$10.50 rebate for 11th and subsequent trades per month
Information Service Fees		Nil if 2 or more trades per month, otherwise \$9.95 per month	Nil if 15 or more trades per month, otherwise \$77 per month

Additional Services for the Professional Service (optional) <sup>5</sup>	
<p><b>Additional software application services</b></p> <p>There are a number of additional modules available to clients beyond the standard Professional platform service, including modules for DDE add-in, different international live markets and Financial News Services.</p> <p>Details relating to the current specific module pricing can be obtained on the website pricing schedules.</p>	<p><b>Monthly Price</b></p> <p>Up to \$200</p>

Other Administrative Fees	
Service	Price
Emailing of Contract Notes/Confirmation	Free
Postage of Contract Notes/Confirmation	\$1.65
Order Amendments and Cancellations	Free
Alert Credit Blocks (11c per email alert and 22c per SMS alert)	Avail in \$11 or \$22 blocks
SRN (Issuer Sponsored Shares) registry request	\$16.50
Stop Payment on Cheques and Dishonoured Cheques	\$16.50 each
Processing of cheques we send you	\$10 each
Ad hoc queries & tasks you request outside the normal course of business (1 hour min)	\$60 per hour & part thereof
Off Market Transfers	\$55 per stock or fund
Fail Fees (Failure to settle trade within the required time)	\$55 or 0.16% per day <sup>2</sup>
International Funds Transfer	\$27.50
Urgent Funds Transfer	\$10

<sup>1</sup> The Standard brokerage rates are available to all clients who use Casual, Premium and Professional information services.

<sup>2</sup> Whichever is greater.

<sup>3</sup> Plus \$11 administration fee

<sup>4</sup> Plus \$27.45 administration fee

<sup>5</sup> All additional services incur a separate monthly fee on top of the Professional Service. Other than Live Dynamic Options Pricing, the fees applicable for additional services are not rebated when you trade 15 or more times during the month.

<sup>6</sup> In addition to Standard Brokerage Fees and other Fees.