



FIRST PRUDENTIAL MARKETS

FINANCIAL SERVICES GUIDE

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AFSL 286354

ABN 16 112 600 281

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Financial Services Guide

First Prudential Markets Pty Ltd
ACN 112 600 281
AFSL 286 354

Details

This Financial Services Guide (FSG) is dated the 1st of December 2009 and is provided to you by First Prudential Markets Pty Ltd (FPM, we, our, us) to inform you of the financial services provided by us and to comply with our obligations as the holder of an Australian Financial Services Licence (AFSL No 286 354).

Purpose and Contents of this FSG

This FSG is meant to assist you in deciding whether to use our services and to explain:

- who we are;
- what financial services we provide and the products to which those services relate;
- how you can instruct us;
- the nature of the advice we provide and our responsibilities;
- what you can expect to pay for the financial services we provide;
- what remuneration and other benefits may be paid to us, our employees or others;
- what to do if you have a complaint, and how it will be dealt with;
- any (potential) conflicts of interest we may have;
- for what purpose we use the personal information you provide to us; and
- how you can contact us.

This FSG contains only general information about the products and services we offer. If you still have any questions after reading this FSG, we encourage you to contact us directly.

Who we are and What Services are we Authorised to Provide

First Prudential Markets Pty Ltd ACN 112 600 281 (FPM, we, our, us). Is an Australian registered company whose head office is located at Level 5, Exchange House, 10 Bridge Street Sydney 2000.

FPM holds a current Australian Financial Services Licence (AFSL) No 286 354 authorises us to provide you with the following range of financial services:

- (a) provide financial product advice for the following classes of financial products:
 - (i) derivatives;
 - (ii) foreign exchange contracts; and
 - (iii) securities;
- (b) deal in a financial product by:
 - (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - (A) derivatives;
 - (B) foreign exchange contracts; and
 - (C) securities; and

- (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (A) derivatives;
 - (B) foreign exchange contracts; and
 - (C) securities; and
 - (c) make a market for the following financial products:
 - (i) foreign exchange contracts; and
 - (ii) derivatives,
- to retail and wholesale clients;

FPM acts on its own behalf and under our own AFSL when providing financial services to you.

Other financial services providers may provide services in relation to products issued by FPM. For information about their services you should consult their FSG.

FPM's registered office is Level 5 / 10 Bridge St, Sydney, NSW 2000. FPM is a trading participant of the Sydney Futures Exchange (SFE).

What information do we offer you as our Client

FPM can offer you an execution-only service, or provide you with general advice in relation to the authorised financial products. The products on which FPM provides these services include:

- Contracts for difference (CFDs) on individual shares. Share indices, stock options, foreign exchange, global futures, commodities and bonds and such other instruments as notified to you from time to time;
- Securities and warrants traded on the ASX and other global markets;
- Futures and options traded on approved exchanges around the world;
- Options on securities and indices traded on approved exchanges around the world; and
- Client education seminars (product awareness and trading skills).

How you can instruct us and your obligations

FPM accepts order instructions in any of the following ways:

- electronically, via an electronic trading platform;
- via telephone ; and
- in writing (including email or facsimile, where authorised), you must check and confirm with us that orders sent via fax or email have in fact been received by us.

It is your obligation to review any confirmation or statement we send to you to ensure its accuracy and report any discrepancies that you may have to us immediately.

Nature of Advice and our Responsibilities

Please note that whilst authorised to do so, FPM does not provide personal advice. We are obliged to warn you that our general advice provided to you as a retail client does not take account of your objectives, financial situation or needs. Therefore, we recommend that you take all reasonable steps

to fully understand the outcomes of specific products and strategies adopted in relation to utilising the services provided by FPM.

While FPM believes the general financial product advice and information we provide is accurate and reliable, neither FPM nor its officers and associates assume any responsibility for the accuracy and completeness or currency of that advice and information.

Although it is not our policy to provide personal advice if we do provide you with personal advice or further assistance in selecting products or services having regard to your particular circumstances and needs, we will where we are required to do so under the law provide you with a Statement of Advice (SOA).

You will not receive an SOA where:

- FPM gives you further advice and your relevant personal circumstances are not significantly different from your relevant personal circumstances in your previous SOA. You may request a record of the further advice given to you within 90 days of the further advice being given to you if you have not already been given that record. You may request the record by contacting FPM in writing, or
- You have elected not provide FPM with sufficient information concerning your personal financial objectives, circumstances and needs, and have acknowledged to us that only general advice will be provided to you. In situations where only general advice has been provided, you must ensure that the advice is appropriate for your considering your personal financial objectives, circumstances and needs,

The SOA we provide you will set out the personal advice which we have given you, including any recommendations provided to you, the basis for the advice or recommendation and additional information outlining fees, commissions, associations or relationships which may be reasonably expected to be capable of influencing the provision of that advice or recommendation to you.

Documentation we provide

Transaction Documentation

The provision of financial products and services by FPM will be undertaken in accordance with the terms and conditions detailed in the documentation that you will either receive from us or have downloaded from our website with respect to relevant financial service provided to you.

Product Disclosure Statements

If we make a recommendation for you to acquire a particular financial product or offer to provide or arrange for the provision of a particular financial product, you should also receive a Product Disclosure Statement which contains important information regarding the relevant features, benefits, risks and fees applicable, and should be read carefully to enable you to make an informed decision about whether to utilise such products.

Risks

Certain products offered by FPM are margined and may result in losses greater than your initial outlay. The risks associated with dealing in the products that we offer are described in the relevant terms and conditions, and product disclosure documentation.

Record Keeping Obligations

FPM seeks to ensure that comprehensive and accurate records of client profiles, together with all advice/recommendations provided, are properly maintained.

Our relationship with you

FPM is responsible for the financial services we provide to you under our Australian Financial Services Licence.

FPM acts as principal in all transactions with you in respect of certain financial products. FPM may also arrange for you to be supplied with financial services and products issued by non-related product providers. FPM may receive a fee or commission payment from these non-related issuers or providers as a result of you investing in one of their products or services.

FPM does not act as a representative of any other licensee in relation to the services or products we provide.

How we are remunerated

FPM is remunerated through the fees and commissions that we charge you. We may also be directly remunerated by non-related product issuers or service providers through fees or ongoing commissions.

The fees and commission rates charged to you will depend on:

- the financial product that you trade;
- the size of your transactions;
- your trading frequency; and
- the level of service required.

Rates are agreed prior to the provision of any transaction execution services. Fees and commissions will be charged to your account at the agreed rate each time you trade ie each time an order is executed.

Typically transaction fees are calculated based on the full notional value of the transaction and expressed as a percentage of the contact with a fixed minimum, in much the same way as if your were buying shares.

A detailed description of the fees, charges and commissions payable to FPM for each of the financial products offered by FPM can be found in the Product Disclosure Statement (PDS) for the relevant financial product.

FPM is also entitled to retain interest it earns on client money held in the segregated accounts it must maintain pursuant to the Corporations Act, however FPM may elect in its sole discretion, to credit clients with the full amount or a portion thereof. The rate of interest is determined by the provider of each segregated account.

When trading in CFDs your account may be debited or credited to reflect interest and dividend adjustments whilst while the position remains open. The direction of interest and dividend adjustments depends on whether the CFD is used to create a long or short position

With a long position, your account is debited to reflect interest adjustments and credited to reflect any dividends. The effect of the dividend adjustment is to mirror the effect of buying shares.

With a short position, your account is credited with interest adjustments and debited to reflect any dividends. The effect

of the dividend adjustment is to mirror the effect of buying shares.

A dealing spread may be applied to certain index, FX and option CFDs, normally the spread will range between 1 – 10 basis points and be reflected in the price of the CFD. Details of the spreads payable are outlined in the PDS for the relevant product or can be provided upon request.

Employee Remuneration

FPM's employees and directors are remunerated by way of salary and other employee benefits. They may also be eligible for a discretionary bonus which is based on achievement of pre-determined business objectives such as:

- Contribution to profit;
- Client Service;
- Product and Risk Management; and
- Leadership.

Certain employees, directors and representatives may also receive 0% to 70% of all fees and commissions generated from their clients depending on the level of salary and the aggregate revenue that they earn for FPM.

Should you receive personal advice from a representative of FPM, more detailed information about fees, commissions and other benefits payable to FPM or our representative will be contained in or with your SOA.

Introducing Advisers and Referrers

FPM may pay a commission or provide other benefits to introducing advisers and referrers for the introduction or referral of clients to FPM. The commission paid by FPM to introducing advisers and referrers may include one or more of the following:

- amounts calculated as a percentage of the commission paid by you to FPM when you trade CFDs with FPM, up to a maximum of 90% of the commission paid by you;
- amounts calculated as a percentage of the finance charges paid by you to FPM in relation to CFD positions held overnight up to a maximum of 80% of the finance charges paid by you;
- amounts calculated as a percentage of the difference in the interest earned by FPM on moneys that you have deposited with FPM and the interest that FPM has paid to you on such moneys, up to a maximum of 50% of the difference;
- a share of spread income generated from your trading in non-share CFDs, up to a maximum of 0.25 ticks per trade. (one tick equals the minimum price change between two successive transaction prices); and
- amounts equal to any additional spread income generated from your trading in non-share CFDs. This will be paid where your introducing adviser has requested that their clients be charged a premium to the standard FPM spread, due to the added service they are providing to their clients. This will be either the difference between the spread at which you deal and the FPM spread or a flat rate as notified to you by the introducing adviser and FPM.

The amount of commission paid to introducing advisers and referrers is negotiated on an individual basis and is typically based on a sliding scale, which takes into account:

- the number of CFD trades made by clients introduced or referred to FPM; and

- the number of clients the introducing adviser or referrer introduces or refers to FPM.

FPM may also provide non-cash benefits to referrers and introducing advisers, such as the waiving of platform charges.

Alternatively, FPM may pay a fixed fee to referrers for each client they refer to FPM. This referral fee will typically be AUD\$50, although a referral fee of up to AUD \$150 per client may be paid to referrers. Unlike the variable commission and benefits outlined above, this fixed fee is not based on the amounts paid by you in respect of executing trades, financing charges or interest earned on deposited funds.

Disclosure of any Relevant Conflicts of Interest

FPM has in place a conflicts management system which seeks to:

- Identify conflicts of interest (actual or potential);
- Control and avoid conflicts of interest; and
- Disclose conflicts of interest to clients.

Neither FPM nor its representatives have any relationships or associations which might reasonably be expected to be capable of influencing the way we provide our services to you.

Professional Indemnity Insurance

First Prudential Markets has in place professional indemnity insurance that complies with section 912B of the Corporations Act 2001. This professional indemnity insurance covers claims in relation to the conduct of current employees and past employees.

Dispute Resolution

FPM has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the compliance team in writing or by sending an email to compliance@fpmarkets.com.au. Our dispute resolution policy is available on our website at www.fpmarkets.com.au.

FPM will endeavour to resolve your complaint immediately. If this is not possible we will aim to resolve the problem within 21 days and provide you with our decision, and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service (FOS) an approved external dispute resolution scheme that provides assistance to life insurance policy holders and clients of financial planners, financial services providers or fund managers of which we are a member. You may also make a complaint via the ASIC freecall infoline on 1300 300 630.

Financial Ombudsman Service (FOS)

Mail: GPO Box 3, Melbourne, VIC 3001

Toll free: 1300 780 808
Facsimile: +613 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

Our Privacy Policy

The information you provide FPM and any other information provided by you in connection with your account will primarily be used for the processing of your account application and for complying with certain laws and

regulations. We may use this information to send you details of other services or provide you with information that may be of interest to you. Full details of our privacy policy are available from our website www.fpmarkets.com.au

By using our services, you also agree and specifically consent to us collecting your personal information from, and disclosing it to, Financial Services Protection Limited (FSPL), for the purposes of client due diligence and sharing information about you with other members of FSPL.

Administrative Costs

First Prudential Markets reserves the right to charge for certain administrative services which may arise through the course of dealing with us. The rates charged for certain administrative services are outlined in the relevant PDS. Certain rates and charges may be agreed with you at the time of account opening or may be waived in whole or in part.

Telephone Conversations

FPM may record conversations between you and our employees or authorised representatives. You may request a copy of transcript of these recordings in anticipation of or in the event of a dispute. We may charge an administrative cost for providing this service.

Should you wish to contact us, you can do so by either:

Writing to us at: First Prudential Markets Pty Ltd
Level 5, 10 Bridge Street
Sydney NSW 2000

Calling us: 1300 376 233

Sending us a fax: (02) 8252 6899

Sending an email to: info@fpmarkets.com.au

Website : www.fpmarkets.com.au