



Alpha Equities & Futures Ltd
FINANCIAL SERVICES GUIDE
www.alphabroking.com.au

Issuer: Alpha Equities & Futures Ltd (ABN) 76 131 376 415, (AFSL) 327075

FINANCIAL SERVICES GUIDE

WHAT THIS FINANCIAL SERVICES GUIDE CONTAINS

This Financial Services Guide (FSG) is issued by:

Alpha Equities & Futures Ltd (AlphaBroking)
ABN 76 131 376 415
Australian Financial Services Licence no 327075
(AFSL).

It provides information about:

- who we are;
- the services and products we offer;
- details on how you can instruct us in relation to your services;
- how we are paid;
- any associations or relationships we may have with financial product issuers and details of any potential conflicts of interest;
- how complaints are dealt with; and
- how we can be contacted and our contact details.

WHAT IS THE PURPOSE OF THIS FINANCIAL SERVICES GUIDE?

The purpose of this FSG is to provide clients of AlphaBroking with key information about the financial services that we offer and is designed to give you information required to make an informed decision about whether to use those financial services.

This FSG was prepared on 12th August 2014.

WHAT OTHER DOCUMENT MAY BE GIVEN TO YOU?

In addition to receiving this FSG, you may receive an FSG from one or more brokers who execute our clients' trades, being AlphaBroking's custodial, clearing, and executing counter-parties (**Counterparties**). You may also receive Product Disclosure Statements (**PDS**). A PDS contains important information about financial products that AlphaBroking arranges for you to acquire, such as equities, exchange traded options (**ETOs**), futures, futures options, foreign exchange contracts, contracts for difference (**CFDs**) and managed funds. AlphaBroking may give you PDSs issued by any of its Counterparties, which may also contain client agreement application forms and terms of trading, or our own PDSs.

WHAT ARE THE FINANCIAL SERVICES PROVIDED?

This FSG covers AlphaBroking's AFSL authorisations to carry on a financial services business to:

- Provide general financial product advice;
- Provide personal financial product advice;
- Deal in a financial product;
- Arrange for another person to deal in a financial product; and
- Make a market in:
 - Foreign Exchange Contracts; and
 - Derivatives

to retail and wholesale clients.

The principal financial products in which we deal include basic deposit products, stocks or bonds

issued by a government, securities, futures, warrants, exchange traded options (ETOs), over the counter (**OTC**) equity options, and other derivatives such as futures, futures options, CFDs, leveraged products, margin lending, foreign exchange (FX) contracts, commodities and metals contracts.

AlphaBroking is a boutique advisory brokerage firm and is not licensed to issue financial products. Clients are referred to select Counterparties that are also licensed to be an Issuer of financial products if applicable. It is one of AlphaBroking's aims to offer its clients the most suitable Counterparty in relation to the particular financial product for which the client wishes to apply. AlphaBroking does not hold client funds overnight, but may operate a client trust account as a "wash-through" facility to some of its Counterparties.

AlphaBroking also provides:

- MDA (Managed Discretionary Account) services to retail and wholesale clients – personal advice; and
- training and education in financial products.

AlphaBroking, its directors and representatives will at all times act in the best interest of its clients.

More details about the products and services offered by AlphaBroking can be obtained from your AlphaBroking advisor or our website at www.alphabroking.com.au

GENERAL ADVICE ONLY

AlphaBroking gives general advice only. (MDA services exempt)

This means that any recommendations or opinions we make have been prepared without taking account of your objectives, financial situation or needs. Because of that, you should consider whether our advice is appropriate for you having regard to your own objectives, financial situation and needs before acting on the advice.

AlphaBroking may collect personal and/or investment information from you for the purposes of identifying you, for marketing purposes and to administer your account and our credit exposure to you. AlphaBroking's representatives may be aware of your personal circumstances, risk tolerance and other information however neither AlphaBroking nor its representatives take any of your personal information into account in preparing its recommendations and opinions.

The only exception that applies to the above is where you have opened a Managed Discretionary Account (MDA). In the case of Managed Discretionary Accounts, the advice provided is a function of taking into account one or more of your objectives, financial situation and/or needs. In order to do this, you will be required to answer a number of questions relating to your financial position and risk profile. These questions will form part of the Managed Discretionary Account

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Application Form. Upon receipt of your completed form AlphaBroking may contact you to further assess your suitability to open a Managed Discretionary Account.

Any material changes to your circumstances must be disclosed to AlphaBroking as they occur, so that AlphaBroking may assess whether the Investment Program included in your MDA Contract continues to be suitable for you.

It should be noted that clients who open a non-discretionary account will also be requested to provide some information relating to their financial circumstances and risk profile. This information is collected so that AlphaBroking can receive some reassurance that you will be able to finance any trading that you enter into and that your attitude to risk is comparable to that of the financial products you intend to trade.

WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED?

All of AlphaBroking's advisors are directors, employees or contractors of AlphaBroking and therefore representatives acting on behalf of AlphaBroking. Therefore AlphaBroking is responsible for all financial services provided by its advisors.

AlphaBroking is not responsible for the financial services provided by its Counterparties.

ABOUT ALPHABROKING

AlphaBroking offers a diverse range of products and services in the financial industry to private as well as corporate clients. This is in the capacity of introducing broker/agent, giving general advice, and arranging for trades to be executed by its Counterparties.

AlphaBroking is not licensed to provide custodial services. Therefore, all AlphaBroking client accounts will have a corresponding account with one or more of its Counterparties. All client funds are held with the relevant Counterparty in a segregated client trust account.

AlphaBroking, its employees and contractors aim to provide a high standard of service at all times and put strong emphasis on satisfying client needs.

HOW CAN YOU INSTRUCT US?

Before we accept your instructions you must complete an AlphaBroking Account Application and provide the required documentation.

You can give any instructions or communications to your AlphaBroking advisor by telephone, letter, fax, email or in person. Orders and instructions are only considered on a 'held basis' once your advisor has confirmed either verbally on the phone, reply email or otherwise that your order or instruction has been received and will be worked accordingly. Communications other than by telephone are at your risk. Instructions are only accepted through third parties by prior arrangement. You must confirm with your advisor

that orders sent via fax or emails have in fact been received by us.

In some cases you may make use of online trading platforms that allow you to deal by giving instructions electronically. You should read the separate documentation and any PDS or FSG for those facilities from AlphaBroking's Counterparties.

TRANSACTION INFORMATION

Whenever a transaction is executed on your account, a confirmation or statement will be sent to you by AlphaBroking's Counterparty. AlphaBroking and its Counterparties may also deliver confirmations electronically, if authorised by you, according to AlphaBroking's and the Counterparties' requirements.

You must review any confirmation or statement provided to you by AlphaBroking's Counterparties upon receipt to ensure its accuracy, and report any discrepancies to us. You will be deemed to have accepted the confirmations as correct unless you notify AlphaBroking in writing within forty-eight (48) hours of receiving the confirmation.

Similarly, any instruction for payment of funds from your trading account to a third party will only be made on, or in accordance with, written instructions from you. Some Counterparties restrict third party payments or do not accept them at all.

WHAT IS AN MDA SERVICE?

An MDA service is a managed investment scheme and a facility for making a financial investment that has the following key features:

- Clients give to the MDA Operator, i.e. AlphaBroking, access to their money by way of client contributions;
- AlphaBroking has the discretion to invest in financial products using client contributions without prior reference to the client for each transaction;
- each client agrees with AlphaBroking that assets derived directly or indirectly from the client contributions are managed as a discrete portfolio belonging to the client; and
- each client has an understanding that they will derive benefits from the MDA service, including benefits from AlphaBroking's expertise in investment selection and other services offered as part of the MDA service.

Pursuant to an ASIC Class Order [CO 04/194], MDA Operators, such as AlphaBroking, have been granted relief, subject to a number of conditions, from the managed investment scheme legislation contained in Chapter 5C of the Corporations Act, and the product disclosure provisions in Chapter 6D and in Part 7.9 of the Corporations Act. This FSG complies with the conditions set out in the ASIC Class Order.

WHAT IS AN MDA CONTRACT?

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In order to provide you with an MDA services you need to open an MDA. To open an MDA you must enter into an MDA Contract with AlphaBroking before the MDA service can be provided.

The MDA Contract will include an investment program that is prepared in accordance with the requirements in Division 3 of Part 7.7 of the Corporations Act and the Investment Program will contain the following information:

- The nature and scope of the discretions AlphaBroking will be authorised and required to exercise under the MDA Contract, and any investment strategy that is to be applied in exercising those discretions;
- any significant risks associated with the MDA Contract;
- the basis upon which AlphaBroking considers the MDA Contract to be suitable for the client;
- warnings that the MDA Contract may cease to be suitable for the client if the client's relevant circumstances change; and
- warnings that the MDA Contract may not be suitable for the client if the client has provided AlphaBroking with limited or inaccurate personal information about their relevant circumstances.

WHO HOLDS THE LEGAL TITLE TO YOUR PORTFOLIO OF ASSETS?

The client opens an MDA in their own name and holds the legal title to the portfolio of assets. The MDA service provided by AlphaBroking does not include custodial or depository services.

Your funds and assets will be held with AlphaBroking's Counterparty in a Client Segregated Trust Account. The Counterparty nominated by AlphaBroking provides dealing services to the client, which includes execution and clearing services, and holding client funds.

RISK DISCLOSURE

There are significant risks associated with an investment via an MDA, of which not all can be outlined. Investment via the MDA may not be suitable for all investors. There can be no assurance that the MDA will achieve its investment objectives. Each prospective investor should carefully review the MDA Contract and carefully consider the risks before deciding to invest. Accordingly, in evaluating the merits and suitability of an investment in the MDA, careful consideration should be given by prospective investors to a number of risk factors.

The following sections outline some of the most important risks, but do not purport to be an exhaustive list of the risks involved in investing in an MDA.

1. **GENERAL ECONOMIC CONDITIONS AND MARKET RISKS.** The MDA's operating and financial performance may be influenced by a variety of general domestic and international economic factors and business conditions which are outside the control of the MDA Operator and the MDA Manager. These include changes in the inflation rate, commodity prices, exchange

rates, interest rates, government fiscal, monetary, and regulatory policy, weekend market price gaps, natural disasters, and acts of terrorism.

2. **RISK ASSOCIATED WITH SELLING OPTIONS.** When trading options, the buyer of the option has the right to decide whether or not to exercise the option contract and at times when the options contract is exercised. Therefore, in a rising market the seller of a call option may be obligated to sell the underlying financial product at less than the current market value whilst in a falling market the seller of a put option may be obligated to buy the underlying financial product at more than the current market value.
3. **INDUSTRY RISK.** There are a number of industry risk factors that may affect the future operational performance of the MDA. These factors are outside the control of the MDA Operator or MDA Manager. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.
4. **FINANCIAL MARKET VOLATILITY.** A fall in global or Australian financial markets or the rapid change in the value of the Australian Dollar against other major currencies may discourage investors from investing in financial markets. This may have either a positive or negative impact on the price of the financial products in the MDA, however, these factors are taken into account when making a trade.
5. **LEVERAGE RISK.** Where possible by law, your MDA may be operated based on a notional value, i.e. leverage may be used, either through various financial instruments or borrowing capital, to increase the size of the MDA. If leverage is used to make an investment and the market moves against the position, your loss is much greater than it would have been if the investment had not been leveraged. In general, leverage magnifies both gains and losses.
6. **LIQUIDITY RISK.** The MDA may invest in markets that are volatile and which may become illiquid. Accordingly, it may be impossible in the event of trading halts to liquidate positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly in the event of insufficient trading activity in the relevant financial product.
7. **EXCHANGE RATE RISK.** Investments in an MDA must be converted to Australian Dollars. Accordingly, investors other than Australian nationals should be aware that exchange rate fluctuations could cause the value of the investment to fluctuate considerably. In addition, the price of any financial products traded on international markets may be affected by variances between foreign exchange rates applied at the time the order is

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- placed and the time that it is liquidated, offset or exercised.
8. **DIVERSIFICATION.** The MDA may be more or less diversified than portfolios operated by other investment managers, as the MDA is likely to be limited to a small number of financial products in order to optimise the investment strategy. The fundamental and technical performance of a financial product and its associated factors are taken into consideration when trading and investing.
 9. **PERFORMANCE OF OTHER ASSET CLASSES**
Good performance, or anticipated performance, of other asset classes can encourage investors to divert money away from financial markets. This may have a negative impact on the price of a financial product. At times, measures are taken to safeguard the values of the MDA's investments by buying insurance in the form of put or call options.
 10. **MARGINS AND FINANCIAL PRODUCTS.** Clients could sustain total loss of initial margin funds that they deposit with AlphaBroking's Counterparty to establish or maintain a position in the derivative or foreign exchange markets. If those markets move against the Client's position, the Client may be required, at short notice, to deposit with AlphaBroking's Counterparty additional margin funds in order to cover the position. Those additional funds may be substantial. If the Client fails to provide those additional funds within the required time their position may be liquidated at a loss, and in that event the Client will be liable for any shortfall in their account resulting from that failure.
 11. **SIZE OF MDA.** The size of the MDA will determine the allowed diversity and risk profile. Effective risk management depends on a range of factors, including insurance of the positions with put or call options and other factors, including a defined and successful Investment Program.
 12. **THE MDA OPERATOR AND MDA MANAGER.** The profitability of the MDA is dependent on the MDA Operator's and MDA Manager's successful implementation of the investment strategy set out in the Investment Program. There can be no guarantee that the strategy set out in the Investment Program will be realised.
 13. **LICENSING REQUIREMENTS.** The ability of AlphaBroking and the MDA Manager to continue to manage the MDA in accordance with the MDA Contract and the Corporations Act is dependent on AlphaBroking maintaining its AFS License. Maintenance of its AFS License depends, among other things, on AlphaBroking, its authorised representatives and the MDA Manager continuing to comply with their license conditions and the Corporations Act.
 14. **TAX CONSIDERATIONS FOR INVESTORS.** There may be tax implications arising from the receipt of profit from the MDA. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.
 15. **NO GUARANTEE.** No guarantee can be given in respect of the future earnings of the MDA or the capital appreciation of the clients' investments. The price of investments that the MDA Manager has purchased on behalf of the MDA can fall as well as rise over time. Moreover, no assurances can be given that the strategies employed by the MDA Manager in the past to achieve attractive returns will continue to be successful, or that the returns will be similar to those achieved in the past.
 16. **NO REPRESENTATION.** AlphaBroking makes no representation as to any returns that investors will earn by investing in the MDA. There can be no assurances that the target performance information, set out in the Investment Program, will in any respect be indicative as to how the MDA will actually perform, either in terms of profitability or low correlation with other investments, in the future.
 17. **UN-AUDITED TRACK RECORD.** Despite achieving the track record attached or outlined as a schedule to the MDA contract or on AlphaBroking's or the MDA Manager's website, the said track record is un-audited, unless specifically stated or otherwise supported by relevant audit reports, and not representative of any one client's account.
 18. **CHARGES.** The performance of the MDA will be affected by charges relating to the investments. Typically, high portfolio turnover may result in correspondingly high transaction costs. The exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors, including the nature and frequency of the market opportunities presented, the size of transactions, and the transaction rates in effect from time to time. Please refer to information in the Disclosure of Fees and Commissions outlined in the Statement of Advice – Investment Program.
 19. **CONTINGENCY ORDERS.** The placing of contingent orders, such as stop-loss orders, may not always limit the Clients' losses to the extent the Clients may want. Market conditions may make it impossible to execute such orders.
 20. **ANALYTICAL INVESTMENT PROCESSES.** AlphaBroking may employ certain strategies that depend upon the reliability and accuracy of analytical investment processes. To the extent such investment processes, or the assumptions underlying them, do not prove to be correct, the investments may not perform as anticipated, which could result in losses.

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21. SUITABLE INVESTMENT OPPORTUNITIES.

Identification and exploitation of the investment objective to be pursued by AlphaBroking involves a high degree of uncertainty. No assurances can be given that AlphaBroking will be able to locate suitable investment opportunities in which to deploy all of the allocated assets.

22. BULK ORDERS.

AlphaBroking may occasionally use 'bulk orders'. There is a risk that the volume of such bulk orders may significantly increase the likelihood of 'split fills'. Accordingly, some client accounts could receive prices that are more or less favourable than other accounts that are part of the bulk order.

23. VARIATION OF PORTFOLIO VALUATIONS.

As MDA investing is not carried out on a pooled basis, but rather is separated as discrete portfolios, individual account balances and portfolio valuations may vary substantially in comparison to other client's MDAs.

24. INACCURATE CLIENT INFORMATION.

Inaccurate and incomplete personal information provided by the Client may result in investments in financial products that are not suitable to the Client's needs.

ASSOCIATIONS AND RELATIONSHIPS

AlphaBroking has relationships with different Counterparties both in Australia and overseas. AlphaBroking also has a relationship with the nominated Counterparty as disclosed in the MDA Agreement. These relationships in no way influence the provision of the financial services provided by AlphaBroking to the Client.

HOW IS MY PERSONAL INFORMATION DEALT WITH?

We collect and maintain records that include your details for the primary purpose of operating and maintaining your account. If you do not provide us with the information we request, AlphaBroking may not be able to provide you with any financial services.

Client information is highly confidential and will not be released to any third parties without your written approval, or as permitted under our privacy policy, or as required by law to regulators or other government agencies. We may disclose your personal information in the normal operation of our business to our executing Counterparties to process your requests and transactions, or other third parties we appoint as advisors, including auditors, custodians, administrators and legal advisors, or to the Australian Securities Exchange or foreign securities exchanges.

A copy of our privacy policy is available on our website or by contacting us. You have the right to obtain a copy of any personal information AlphaBroking holds about you and update or correct such information. We are also required to collect certain personal information under the Anti-Money Laundering and Counter-Terrorism Financing Act.

OTHER PROVIDERS

Each AlphaBroking advisor may arrange for financial services and products to be provided to you by other product providers. AlphaBroking may receive commission payments as a result of your using their products or services.

If you have been referred to AlphaBroking, the referrer may receive part of any brokerage or fee received by AlphaBroking. The amount paid or received by AlphaBroking, or its representatives, will depend on AlphaBroking's arrangements with the referrer.

OUR REPRESENTATIVES

Our representatives are employees, contractors or directors of AlphaBroking, and are remunerated through base salary, non-base salary or a combination of both. The non-base salary includes a share of commission, fees or other payments earned by AlphaBroking. The proportion shared with the representative is based on their level of experience, length of service with AlphaBroking, the level of qualifications and prevailing market conditions, and ranges from 0% to 60% of revenue received by AlphaBroking in relation to the particular representative.

Our representatives may also benefit from various internal AlphaBroking incentive schemes including seminars, conferences, and training programmes and other non-cash rewards.

Participation in these schemes is generally based on revenue production, minimum length of service and compliance with AlphaBroking's policies and industry regulations.

From time to time, AlphaBroking's representatives may trade the same financial products as their clients and may take the opposite or same position as their client. Any conflict of interest that arises is managed in accordance with AlphaBroking's 'Conflict of Interest Policy & Procedures'.

PROFESSIONAL INDEMNITY INSURANCE

AlphaBroking has a professional indemnity insurance arrangement in place. This arrangement covers legal claims relating to the conduct of AlphaBroking's representatives, and includes retrospective events and former AlphaBroking representatives.

DISPUTE RESOLUTION

If you trade in financial products through an exchange, the rules of that exchange may apply to your disputes to some extent, such as exchange market rules concerning disputes about trade errors and cancellations. By your agreement with AlphaBroking, you agree to be bound by all of the relevant rules of the exchanges and/or markets you deal through.

We want to know about any problems you may have with the service of AlphaBroking so we can take steps to resolve the issue. If you have a complaint about the financial product or service provided to you, please take the following steps:

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1. Contact your AlphaBroking advisor directly and tell them about your complaint. You may do this by telephone, facsimile, email or letter.
2. If your complaint is not satisfactorily resolved within three business days of receipt of your complaint by your AlphaBroking advisor or agent, please contact AlphaBroking's Compliance Manager on 03 8662 4000 or outline your complaint to us and send it to Ground Floor, 61 Spring Street, Melbourne, VIC 3000, addressed to the Compliance Department at AlphaBroking.

We will try to resolve your complaint quickly and fairly. Complaints received will be responded to within a fortnight of receipt of your complaint.

3. If you still do not achieve a satisfactory outcome, or have not had a response within 30 days of making a complaint to AlphaBroking's Compliance Manager, you have the right to complain to the Financial Ombudsman Service Limited (FOS). FOS is an external complaints and dispute resolution body. The contact details for FOS are:

Financial Ombudsman Service Limited
GPO Box 3,
Melbourne
Vic 3001
Telephone; 1300 780 808
www.fos.org.au

Alpha Equities & Futures Ltd (AlphaBroking) is a member of FOS, membership number 13512.

4. The Australian Securities and Investments Commission (ASIC) have information about your rights and how to make a complaint. Go to www.asic.gov.au or call ASIC's infoline on 1300 300 630

CONTACT DETAILS

If you have any queries about this FSG or our services, you can contact AlphaBroking at:

Ground Floor
61 Spring Street
Melbourne Vic 3000
Telephone: +61 3 8662 4000
Facsimile: +61 3 8662 4001
Email: compliance@alphabroking.com.au

FEES & CHARGES

FEES, CHARGES AND REMUNERATION

The fees you pay depend on the type and level of services required, the exchange upon which the transaction is to be conducted (if any), the frequency and volume of transactions executed, and/or products you choose and the amount you invest.

Therefore, we are unable to detail the fees & charges you will pay and who will receive these payments and other remuneration in this FSG. However if you would like further details before using AlphaBroking's services, please ask for them.

A reference to AlphaBroking's fees or charges below generally includes payments to a Custodial-Clearing- & Executing Counterparty.

Equities and Derivatives

Brokerage and/or commission are charged when buying and selling financial products such as shares and warrants. This is calculated on the total Australian dollar value of the transaction including for international financial products, the Australian dollar equivalent of the foreign currency denominated transaction. AlphaBroking's maximum standard brokerage rates, inclusive of any Counterparty fees, are:

TRANSACTION AMOUNT	BROKERAGE RATE
\$0 - \$10,000	0% - 2%
\$10,0001 - \$50,000	0% - 1.50%
\$50,001 plus	0% - 1.00%

IPO application, underwriting or placement fees are generally between 0% and 2.0% of the amount invested.

The standard fees you will be typically charged for exchange traded derivatives start at between 1.1% and 1.65% (including GST if applicable) of the premium, up to a maximum of 2.2%.

AlphaBroking has a minimum brokerage or transaction charge of A\$110 (including GST if applicable) per transaction.

If you fail to settle a transaction, you may be charged:

- If payment has not been received, an administration fee at AlphaBroking's prevailing rate, generally the reference rate charged to AlphaBroking plus 2.5% p.a.; and
- A fail fee, typically ranging in between \$75 to \$150 per day (depending on the Custodial-, Clearing & Executing Counterparty) if the securities have not been provided or have been rejected due to your error (or your intermediary's error).

If we charge you for any research and investment strategy publications, we will separately disclose that to you.

AlphaBroking Premium Portfolio Service

- The AlphaBroking Premium Portfolio Service (APPS) is an online performance, valuation and taxation reporting system that wraps around your investment portfolio.
- There is a maximum annual APPS fee of 2.75% + GST, which is payable to AlphaBroking Equities & Futures Ltd. The minimum Annual Fee is \$1,250 + GST. The fee is payable monthly or quarterly.

OTC Transactions

This section covers OTC products and services, such as foreign exchange contracts (i.e. currency), base metals, CFDs and Physical Bullion transactions.

AlphaBroking acts as an agent in regards to its OTC and physical bullion transactions. The following transaction fees may apply:

- Each FX and Option transaction may incur a fee typically starting between 1 and 10 basis points up to a maximum of 150 (0.01% to 1.50%) basis points of the Transaction's full face value amount.
- A minimum transaction fee of US\$10 or currency equivalent may be levied on Transactions.
- Each other OTC transaction may incur a fee typically between 1 and 150 basis points (0.01% to 1.50%) of the Transaction's full face value amount. A "basis point" is 1/100 of 1%.
- Each Physical Bullion transaction may incur a fee of up to 1% of the transactions' full face value amount. Clients holding physical bullion in storage may also incur a storage & insurance fee of up to 1.5% per annum based on the current value of the holdings.

Futures

AlphaBroking charges fees on each Futures and Futures Option contract it arranges to be executed on your behalf. All commission fees for Futures Transactions are charged on a per contract basis. – Commissions may or may not include any Custodial-, Clearing & Executing Counterparty-, exchange- and clearing fees.

The standard fees you will be typically charged can vary between A\$11 (incl. GST, if applicable) up to maximum of A\$100 (incl. GST, if applicable) per transaction per contract or between A\$22 (incl. GST, if applicable) per round turn (total entry and exit of contract), and A\$ 200 (incl. GST, if applicable) per round turn (total entry and exit of contract).

For Futures Transactions on international exchanges brokerage is charged in the currency of the country of the exchange on which you are trading. On Futures markets in the US for example, you will be typically charged between US\$11 (incl. GST, if applicable) up to a maximum

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of US\$110 (incl. GST, if applicable) per transaction per contract or between US\$22 (incl. GST, if applicable) and US\$220 (incl. GST, if applicable) per round turn.

AlphaBroking may charge a fee or commission for a Futures Option exercised or expiring out of the money at the above rates.

MDA Services

If you have opened a Managed Discretionary Account (MDA) with AlphaBroking then you may be subject to the following charges:

- (a) Brokerage charged by AlphaBroking's Counterparty or the MDA Custodian as the case may be;
- (b) MDA fees which are charged by AlphaBroking and may comprise of an administration fee and a performance fee:
 - (i) Administration fees can be an ongoing account fee of up to 2% per annum of end of month account balance.
 - (ii) Performance fees are charged on profits and can be at a rate of up to 35% of profits generated depending on the rate of return for the month.

These rates are indicative rates only as the MDA fee structure varies from one MDA model to another. The actual fees will be fully disclosed in the relevant MDA Contract.

All fees are in Australian Dollars and are exclusive of GST unless advised otherwise. All fees, commissions and charges are subject to change from time to time.

FEES AND OTHER FINANCIAL PRODUCT PROVIDERS

AlphaBroking has arrangements with a number of financial intermediaries in relation to the provision of financial products by AlphaBroking to clients of those financial intermediaries. In those circumstances, a referral fee may be paid by AlphaBroking to the financial intermediary. This referral fee is usually based on the value of the transaction or financial product that has been provided to you, and the total fee paid will range from 0% to 10% (GST inclusive) of the value of that transaction or product. The referral fee may be paid in the form of an upfront selling fee and/or periodic trail fees.

AlphaBroking may receive cash fees and commissions from the issuer of financial products including if AlphaBroking secures applications from its clients for financial products in respect of new issues or placements.

The upfront commissions may range from 0% to 5% (GST inclusive) of your investment amount. These fees may also be received by AlphaBroking during the period in which you participate in the scheme or maintain your investment in the products (trailing commissions). The trailing commissions may range from 0% to 5% (GST inclusive) of your investment amount. Such fees may be calculated by reference to the amount of money invested in the scheme or product from time to time.

AlphaBroking is entitled to a proportion of 0% to 100% of any interest earned on trust accounts required to be maintained to hold your moneys in respect of your financial products or services.

GENERAL

Fees involving transactions with international financial products vary according to the product or service, the country and the nature of the transaction. Fees for such transactions are usually in US dollars, and will be charged to your account and converted to Australian dollars at the Counterparties' prevailing rate. You may be charged a fee by AlphaBroking and its Counterparties for the currency conversion, as well as by another intermediary, such as a US broker or depositary custodian. Refer to the brokerage/commission charges relating to the product details above to determine the standard charges that you will pay.

If you have an amount owing to an AlphaBroking Counterparty, the Counterparty may charge interest on those outstanding amounts at the rate according to agreements with you or, if not specified, at the rate equal to the Counterparty's prevailing debit interest rate, which is generally the reference rate plus 4%. Information on the current interest rate is available upon request.

Additional fees may be charged for transactions and services including but not limited to international telegraphic transfers, bank cheques and administration fees and charges for the alteration of investments prior to maturity or early withdrawal. Bank cheques and fees imposed on Counterparties to clear your funds or in respect of your payments will also be charged to your account. AlphaBroking's Counterparty may debit these amounts to your account.

AlphaBroking and its Counterparties may charge a fee of up to \$25 for the printing and postage of confirmations if you have the ability to receive electronic confirmations but have chosen not to do so. AlphaBroking and the Counterparties may also charge reasonable fees for additional reports or communications requested by you.

Fees, rates of commission and charges are subject to change. A minimum charge may apply to brokerage, commissions or asset-based fees. Details of fees and charges may also be provided by a schedule of fees or communicated to you from time to time.

All amounts owing by you may be debited to your account with AlphaBroking's Counterparties or withdrawn from your monies held in trust for you, without prior notice to you.

Any disputes about fees or charges must be brought to our attention within 5 calendar days of the fee being applied. Please see the section in this FSG on "Dispute Resolution".

To the extent that a PDS is required for a transaction involving a particular financial product, the PDS, issued by the Custodial-, Clearing & Executing Counterparty, for the financial product will disclose details of commissions, fees or other

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benefits received by AlphaBroking, from the relevant Custodial-, Clearing & Executing Counterparty, in respect of the transaction involving that financial product.

You are responsible for any stamp duty, transaction duty, GST or similar goods and services or value added tax payable in respect of services provided to you or any transaction made under it. Fees listed here are generally exclusive of GST unless expressly stated.

You are also responsible for any fees or charges imposed by the exchanges or their related companies for the financial products provided or services performed for you, including cancellation fees, penalties and default interest.

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