

## PART A – FINANCIAL SERVICES GUIDE

### What is a Financial Services Guide?

This Financial Services Guide (FSG) has been prepared by Australian Investment Exchange Limited (the Participant, provider, we, us, our). 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 will inform you (a) of the service we provide to you through your Adviser, or (b) where you have been referred to us by a third party (referrer), assist you in deciding whether to use any of our services. It also sets out the procedures we follow when dealing with complaints.

### Who are we?

Australian Investment Exchange Limited (the Participant) ABN 71 076 515 930 is licensed under the Corporations Act, Australian Financial Services License No 241400 and is a Market Participant of the ASX Limited and Cboe Australia Pty Ltd, a Clearing Participant of ASX Clear Pty Limited and a Settlement Participant of ASX Settlement Pty Limited.

### This FSG is divided into two parts

**Part A** contains important information about our services including the financial services and the types of financial products that we are authorised to provide under our Australian Financial Services Licence. It also contains information describing how we are remunerated and the procedures we follow when dealing with complaints.

**Part B** sets out the relationship between us and your adviser, or referrer. It contains information about any fees and charges that we may earn, charge or rebate in relation to us providing those services and any potential conflict of interest we may have. If you have not received a copy of Part B, please contact us on the telephone number provided at the end of this document.

### What financial services are we authorised to provide?

Pursuant to our Australian Financial Services Licence, we are authorised to deal in and provide financial product advice in the following product classes:

- deposit and payment products limited to basic deposit products;
- securities (such as shares, Commonwealth Government Securities and Bonds);
- derivatives;
- interests in managed investment schemes including investor directed portfolio services;
- margin lending facilities (deal in only);
- foreign exchange contracts (deal in only); and
- we are also authorised to provide custodial or depository services, in relation to our nominee company operated as part of our stock broking business.

We are responsible for the financial services provided to you, including the distribution of this FSG.

### Provision of General Advice only

We do not provide personal advice in relation to financial products. However, we do provide general advice which can include information about our products, the markets in which they are invested, and our opinions about our outlook for those products, markets and research.

The information we may distribute does not provide advice about products suitable for your particular needs, objectives or financial circumstances, even if we may have commented in view of the current or future market conditions or prospects for the products.

As such this information does not constitute personal investment advice and as it has been prepared without taking into account your objectives, financial situation or needs, therefore we will not provide you with a Statement of Advice.

You should always consider the appropriateness of the advice in light of your own objectives, financial situation or needs before acting on the advice. If you use the services of an adviser you should consider and discuss with your Adviser before making your own investment choice. Your Adviser may provide you with a Statement of Advice.

The AUSIEX International Markets service ("International Markets" or "International Trading") is an international share trading, nominee and custody service provided by Australian Investment Exchange Limited ("AUSIEX") ABN 71 076 515 930, AFSL 241400. By accepting a custody service from AUSIEX, you agree that your International Securities won't be held by you separately, but may be held in an account with securities owned by other customers. A ledger will record your beneficial interest in the International Securities. Before investing in international shares, you should read the AUSIEX International Markets Trading Terms and Conditions. Please contact us to obtain a copy.

### Placing an order or updating your personal details (Third Party Referred Clients only)

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, or on other markets
- 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.

Some risks when investing in international shares can be:

- Foreign currency risk as international security and currency exchanges can be relatively volatile;
- An international custodian may be subject to risk arising from change to the political, legal, regulatory or commercial environment of that country;
- Political and regulatory risk may affect your ability to buy and sell securities in a foreign market.

### Product Disclosure Statements

If you are seeking to acquire a specific financial product, you should obtain a copy of, and consider, the Product Disclosure Statement (PDS) for that product before making any decision.

If you use an Adviser, they may provide you with personal advice or recommend financial products. Whilst we do not provide personal advice or recommend financial products, in some circumstances, we or your Adviser, may provide you with a PDS for selected products. The PDS sets out important information about the particular product including the features, benefits, fees and risks associated with it, to assist you in making an informed decision. A PDS for the products provided by us is available either from your Adviser or by contacting us.

### How are our staff remunerated?

Our staff are remunerated by salary from the Participant and do not directly receive any commissions or fees. They may be eligible for a bonus payment of up to 45%. These bonus payments are discretionary, and based on achievement of pre-determined business objectives.

These may include:

- Business Outcomes
- Customer Service
- People Engagement
- Special Tasks
- People Principles

Our Staff may also be eligible to:

- Share in incentives (both monetary and non-monetary) rewarded for outstanding service;
- Participate in the long term incentive program. It is entirely discretionary and is based on a staff member's contribution to the business over time.

### How are any fees or other benefits calculated for providing the financial services?

Our primary source of income is from the brokerage paid on transactions made through our services. The fees and other benefits that we receive and pay are outlined in Part B of this FSG.

### 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 the 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 us 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.

We have adopted the principles set out in the Privacy Act as part of our continuing commitment to client service and maintenance of client confidentiality. The full Privacy Policy can be found at our website.

If you would like further information regarding this policy please contact us by email or telephone on the contact details provided at the end of this document between 8.30am and 6pm (Sydney time) Monday to Friday, or write to us at: Locked Bag 3005 Australia Square, NSW 1215.

We will provide notifications, information and important documents to you about your account and/or financial products and/or services offered either to the email address you last notified to us, or on our website.

Also we may use other electronic means to notify you of amendment/s, and provide information about where you can access full details of the amendment/s. If you do not want to receive information via electronic methods, please contact us.

### What should you do if you have a complaint?

If you are not satisfied with the service or advice you receive from us, you are entitled to complain. We have established procedures to ensure that all enquiries and complaints are properly considered and dealt with.

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again.

Most problems can be resolved quickly and simply by talking with us.

You can call AUSIEX Customer Relations on 1300 302 449, or write to us at:

AUSIEX Customer Relations  
Reply Paid 85148  
Australia Square NSW 1215

**What we do when you make a complaint to us**

- acknowledge your complaint and make sure we understand the issues
- do everything we can to fix the problem
- keep you informed of our progress
- keep a record of your complaint
- give you our name and contact details so that you can follow up if you want to, and
- provide an Internal Dispute Resolution response within 30 days.

**If we are unable to provide an Internal Dispute Resolution response to your complaint within 30 days, we will:**

- inform you of the reasons for the delay
- advise of your right to complain to the Australian Financial Complaints Authority (AFCA), and
- provide you with the AFCA contact details.

**External dispute resolution**

If you are not happy with the response we provide, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

**Where to get help****Contact AFCA**

**Online:** [www.afca.org.au](http://www.afca.org.au)

**Email:** [info@afca.org.au](mailto:info@afca.org.au)

**Phone:** 1800 931 678 (free call)

**Mail:** Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## ADVISER PART B

### SCHEDULE OF FEES TO AUSTRALIAN INVESTMENT EXCHANGE LIMITED

#### Brokerage

Our primary source of income is from the brokerage paid on transactions made through your Australian Financial Service Licensee (Adviser) and other Companies when using our services. These can generally range from 0.11% (brokerage on Equities and Warrants) to 0.55% (brokerage on Exchange Traded Options). Remaining charges over and above our minimum brokerage will be paid to your Adviser and attributed to any additional advice fees and/or service fees charged to you by your Adviser (where applicable). Refer to your Adviser for further details.

Unless otherwise indicated, where a fee or charge is expressed as a percentage, it refers to a percentage of the transaction value. For GST rounding reasons, the final brokerage fee may result in a slight variance from the stated or expected charge, which may exceed two cents for large trades.

#### Derivatives

Before investing in derivative products, you should read the Exchange Traded Options PDS and associated ASX documentation. An Exchange Traded Option contract is a contract to buy or sell underlying securities in a predetermined quantity, usually of 100 units, at a predetermined price on, or before, a predetermined date. Please be advised that not all Advisers are authorised to deal in derivative products.

#### Transactions Executed and Cleared via PID 6381

ETO Contract fees of \$0.13 (GST exclusive) per contract apply for equity Exchange Traded Options, and \$0.05 (GST exclusive) per contract exercise fee. In the case of Index Options, the ETO Contract fee is \$0.45 per contract (GST exclusive) for Index ETO transactions, and \$0.35 per contract (GST exclusive) for Index ETO exercise/assignment. ETO Contract fees have been set out on a GST exclusive basis as the total GST may be rounded in accordance with the GST law.

#### Transactions Executed and Cleared via PID 6382

ASX Clear charges a registration fee of \$0.06 - \$0.31\* plus GST per listed single stock option contract.

A fee of between \$0.05 - \$0.25\* plus GST per contract for single stock option registrations reporting depending on the Tiered Fee category of the stock.

The ASX allocates each Single Stock Option into one of five Tiered Fee Categories.

The current list of stock per category can be found at:

ASX – Cost of trading options

<https://www2.asx.com.au/markets/market-resources/asx-schedule-of-fees/cost-of-trading-options>

The ASX reviews the allocation of stock approximately every 6 months.

| Tiered Fee Category | ASX Registration Fee (\$ per Contract – excluding GST)* |
|---------------------|---|
| 1                   | \$0.06  |
| 2                   | \$0.10  |
| 3                   | \$0.13  |
| 4                   | \$0.21  |
| 5                   | \$0.31  |

\*Per contract fee of \$0.00 applies if premium is \$0.01 or lower.

If you exercise an equity option, ASX Clear will charge an exercise fee of \$0.05 plus GST per contract. If you are assigned on an options position, ASX Clear will charge a fee of \$0.05 plus GST per contract.

In the case of index options, ASX Clear will charge a registration fee of \$0.45 plus GST per contract for ETOs and an exercise fee of \$0.35 plus GST per contract. For index option registration, ASX Clear will charge a registration fee of \$0.40 plus GST per contract and an exercise fee of \$0.30 plus GST per contract.

#### Warrants

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

#### 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.

We charge your Australian Financial Service licensee on the purchase and sale of executed transactions made on 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.

Minimum fees apply on the total consideration of the contract and additional administration fees may also apply in certain circumstances. These range from between \$33 and \$55 per order.

Our 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 transactions.

We may charge a fee of \$3.85 for each posted confirmation. Confirmations sent by email are free.

#### International Markets

Before investing in International Securities you should read the International Markets Trading Terms and Conditions and available product information on our website.

## Margin Lending

We may receive referral fees from time to time from Margin Lending providers. These will vary depending on the provider and the amount you have invested through us and will generally be between 0.25% and 3% of Margin Lending loan balances.

## Cash Management

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 0.25% to 3% of account balances held with the product provider.

## Trust Account

We are 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.

## Other product offerings resulting in an ongoing fee

In some cases we may refer you to a product provider whose product may complement ours. In these instances we may receive a fee or other fee for service ranging from 0.25% to 3%, depending on the nature and amount of business being referred. Further information about each product is shown in the appropriate PDS.

If we have referred you to a third party who has a vested interest in maintaining an ongoing relationship with you, a fee may be paid. If a third party refers you to us, we may earn a fee.

If you are referred to us by another approved party, we may share with them our fees, or pay them a fee for each trade you place that uses our services. These may vary depending on the nature of the agreement, the products being offered, and the extent of business you have with us that is being referred.

Typically, a fee may be in the form of rebates on the trades you make, or a percentage of your portfolio or account balance.

Your transaction instruction details may be provided by your Australian Financial Services licensee adviser over the telephone or through electronic means. If we receive your instructions by telephone, your transaction will be governed by our standard telephone Terms and Conditions. If your instruction is provided through electronic means, you should review the Terms and Conditions for such. Your Australian Financial Service Licensee adviser can provide you with the appropriate Terms and Conditions, or contact us if you would like to review a copy.

## International Markets Fees and Charges

### A. Trading in International Securities

Our primary source of income from the AUSIEX International Markets service is from the brokerage paid on transactions made through your Australian Financial Service Licensee (Adviser) and other Companies when using our services. These can generally range from 0.08% to 0.55% depending on the exchange where the relevant security is traded, subject to a minimum charge of US\$15. Remaining charges over and above our minimum brokerage will be paid to your Adviser and attributed to any additional advice fees and/or service fees charged to you by your Adviser (where applicable). Refer to your Adviser for further details.

Unless otherwise indicated, where a fee or charge is expressed as a percentage, it refers to a percentage of the transaction value.

Note that brokerage, exchange fees, and foreign taxes may be charged to you in foreign currencies. Levied amounts may be charged to you in the foreign currency or converted to Australian Dollars at the applicable market rate.

Where an order for an International Security remains partially filled for more than one trading day, you will be charged at least the minimum fee(s) for each day a transaction is executed in respect of that order until the order is completely filled.

### B. Market fees

There may be additional charges depending on the exchange being traded on and the type of investment. These are in addition to the brokerage charge and are passed on at cost.

Please note these fees may change. For an up-to-date schedule of fees visit [international.ausiex.com.au](http://international.ausiex.com.au). May be subject to additional local exchange fees.

### C. Exchange rate conversion:

In respect of any foreign exchange conversion AUSIEX undertakes on your behalf, AUSIEX may charge you a spread of 0.60% calculated on the transaction value.



**D. International Markets miscellaneous fees and charges**

**Amounts are in Australian dollars (AUD/AU\$) unless otherwise stated.**

|                                   |  |
|-----------------------------------|--|
| Custody Fee                       | 0.06%p.a. of the value of securities at the end of each trading day held through us or our International Custodian, will be calculated on a daily basis and billed monthly. The Custody Fee will be calculated in the base currency of the holding(s). The Currency Conversion fee (below) will then also apply, also calculated on the base currency value of the holding(s). The total Custody Fee amount will then be charged to you in Australian dollars. |
| Client Interest Fee               | Interest is charged when your account balance is in debit. It is calculated daily at 6% p.a + mark-up/down to the currency specific Benchmark by the Custodian and applied monthly.  |
| Currency Conversion               | 0.60%p.a. charged for each execution or transfer involving a currency conversion, applied at the time of conversion, not at the time of placing the order.   |
| Exchange/Regulatory Fees          | At cost  |
| Algorithmic Trading               | 0.02% per trade, on top of standard charges for trade execution.   |
| Transfer Out Fee                  | \$30 per International Security Identification Number (ISIN).  |
| Price Change Fee                  | \$17 per security parcel transferred in where you subsequently request a change to the cost base pricing record on the portfolio platform.   |
| Partial Allocation Fee            | \$17 per specific security where part of a position is moved between accounts.   |
| Realignment of Delisted Security  | \$325 per security where it has been delisted at one exchange and re-registered at another.  |
| Manual Registration of Securities | \$325 per security where an exchange requires manual registration.   |
| Manual Order Execution            | \$25 per manual trade order executed on your behalf.   |

**E. Example of a sell trade in US Market**

You wish to sell 200 units of Stock A at a price of US\$100 per unit. The applicable brokerage on your account is 0.08% of the transaction value, subject to a minimum of US\$15. Therefore, the brokerage on this trade would be US\$16 (being 0.08% of US\$20,000)

Assume, for example, \$1 Australian is buying 65 US cents. Exchange rates are subject to market conditions and may change at any time.

The sell trade is executed for 200 units x US\$100, being US\$20,000 is equal to AU\$30,769.23 (US\$20,000/AU\$0.65).

Brokerage charged is 0.08% of US\$20,000, being US\$16, equivalent to AU\$24.62.

If your account is established as an AUD account, proceeds from sell trades will be automatically converted to Australian Dollars and you are charged a Currency Conversion fee of 0.60%, equal to US\$120 or AU\$184.62.

As this was a sell trade in a US market the *SEC Clearing Fee*, which is a regulatory fee, is applicable and included in the trade automatically. The current charge is the equivalent of US\$8 per million dollars, or 0.0013%.

|                                     |               |
|-------------------------------------|---------------|
| <b>Total proceeds</b>               | US\$20,000    |
| <b>Plus Brokerage</b>               | US\$16        |
| <b>Plus Currency Conversion fee</b> | US\$120       |
| <b>Plus SEC Clearing Fee</b>        | US\$0.26      |
| <b>Total Cost</b>                   | US\$19,864.26 |
| <b>Total Cost converted</b>         | AU\$30,560.40 |

Note the above example is for illustrative purposes only as fees and exchange rates may vary.

## F. Example of a buy trade in US Market

You wish to buy 200 units of Stock B at a price of US\$100 per unit. The applicable brokerage on your account is 0.08% of the transaction value, with a minimum of US\$15, therefore US\$16 is the applicable brokerage on this transaction (being 0.08% of US\$20,000).

Assume, for example, \$1 Australian is buying 65 US cents.

The buy trade is executed for 200 shares x US\$100, being US\$20,000 equal to AU\$30,769.23.

If your account is established as an AUD account, payment for buy trades are automatically converted from Australian Dollars at the time of execution and you are charged a Currency Conversion fee of 0.60%, equal to US\$120 or \$184.62 in Australian Dollars.

Brokerage charged is 0.08% of US\$20,000, being \$US\$16, equivalent to AU\$24.62.


|                                     |            |
|-------------------------------------|------------|
| <b>Total proceeds</b>               | US\$20,000 |
| <b>Plus Brokerage</b>               | US\$16     |
| <b>Plus Currency Conversion fee</b> | US\$120    |
| <b>Total Cost</b>                   | US\$20,136 |
| <b>Total Cost converted</b>         | A\$30,978  |

Note the above example is for illustrative purposes only as fees and exchange rates may vary.

## Other Fees

| Other Costs                            |  |
|--|--|
|  | Buys \$55 or 0.11% per day plus 15%p.a. calculated daily on outstanding amounts per day  |
| Fail Fees                              | Sells \$27.50 per day plus fail fees (fees are the greater of \$110 per fail per day and 0.11% per fail per day to a maximum of \$5,500 per day) |
| Foreign Tax                            | At cost incurred   |
| Invalid Online SRN sale                | \$27.50  |
| Rebooking Fee                          | \$27.50  |
| Off Market Transfer                    | \$27.50 per line   |
| SRN request                            | \$16.50  |
| Posting Confirmation Fee               | \$3.85 per confirmation  |
| Replacement CHESS Statement Fee        | \$16.50 per statement  |
| Third Party Margin Loan Settlement Fee | \$30 in addition to brokerage  |

## Have questions? Connect with us.

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Australia Square NSW 1215

 1800 252 351  
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 [ausiex.com.au](http://ausiex.com.au)