



ALPHA  
BROKING

Alpha Equities & Futures Ltd  
**FINANCIAL SERVICES GUIDE**  
[www.alphabroking.com.au](http://www.alphabroking.com.au)

Issuer: Alpha Equities & Futures Ltd ACN 131 376 415 Australian Financial Services Licence (AFSL) Number 327075

# FINANCIAL SERVICES GUIDE

## WHAT THIS FINANCIAL SERVICES GUIDE CONTAINS:

This Financial Services Guide (**FSG**) is issued by Alpha Equities & Futures Ltd ACN 131 376 415 Australian Financial Services Licence (**AFSL**) Number 327075 (**Alpha**) to inform you 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 Alpha 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 30<sup>th</sup> September 2009.

### 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 trades (**Executing Counterparty**). You may also receive Product Disclosure Statements (**PDS**). A PDS contains important information about financial products that Alpha 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. Alpha may give you PDSs issued by an Executing Counterparty, 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 Alpha's AFSL authorisations to:

- Provide general financial product advice; and
- Arrange for another person to deal in a financial product to wholesale & retail clients.
- To make a market in:
  - Foreign Exchange Contracts
  - Derivatives

The principal products in which we deal include basic deposit and payment products; stocks or bonds; securities; futures; warrants; ETOs; Over the counter (**OTC**) equity options; and other derivatives such as futures, futures options, CFDs; leveraged products; foreign exchange (FX) contracts; commodities and metals contracts.

Alpha does not offer custodial services but refers clients to an Executing Counterparty. It is one of Alpha's aims to offer its clients the most suitable Executing Counterparty in relation to the particular financial product for which the client wishes to apply. Alpha does not hold client funds overnight, but operates a client trust account as a "wash-through" facility to some of its executing counterparties.

More details about the products and services offered by Alpha can be obtained from your Alpha advisor or the Alpha website at [www.alphabroking.com.au](http://www.alphabroking.com.au)

Alpha also provides:

- access to research and investment strategy publications; and
- training and education in financial products.

### GENERAL ADVICE ONLY

Alpha gives general advice only.

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.

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

### WHO IS RESPONSIBLE FOR THE FINANCIAL SERVICES PROVIDED?

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

Alpha is not responsible for the financial services provided by Executing Counterparties.

### ABOUT ALPHA

Alpha 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 Executing Counterparties.

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

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

#### **HOW CAN YOU INSTRUCT US?**

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

You should give any instructions, or communications to your Alpha advisor by telephone, letter, facsimile (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.

You must review any confirmation or statement of Executing Counterparties sent to you immediately upon receipt to ensure its accuracy and report any discrepancies to 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 the Executing Counterparties.

#### **TRANSACTION INFORMATION**

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

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.

#### **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, Alpha 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 Executing Counterparties to process your requests and transactions, or other third parties we appoint as advisers including auditors, custodians, administrators and legal advisers, 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 Alpha

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-Terrorist Financing Act*.

#### **OTHER PROVIDERS**

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

If you have been referred to Alpha, the referrer may receive part of any brokerage or fee received by Alpha.

The amount paid or received by Alpha (or its representatives) will depend on Alpha's arrangements with the referrer.

#### **OUR REPRESENTATIVES**

Our representatives are either employees, contractors or directors of Alpha, and are remunerated through either base salary, non-base salary compensation or a combination of the two. The non-base salary includes a share of commission, fees or other payments earned by Alpha. The proportion shared with the representative is based on their level of experience, length of service with Alpha, the level of qualifications and the market conditions, and ranges from 0% up to 60%.

Our representatives may also benefit from various internal Alpha 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 Alpha's policies and industry regulations.

From time to time, Alpha'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 Alpha's 'Conflict of Interest Policy & Procedures'.

#### **PROFESSIONAL INDEMNITY INSURANCE**

Alpha has professional indemnity insurance arrangements in place. These arrangements cover claims related to the conduct of Alpha's representatives, and includes those who no longer represent Alpha (but who did at the time of the relevant conduct).

#### **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 market rules dealing with disputes about trade errors and cancellations. By your agreement with Alpha, you agree to be bound by all of the relevant rules of the exchange or market you deal through.

We want to know about any problems you may have with the service of Alpha 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 Alpha advisor directly and tell him/her 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 Alpha advisor or agent, please contact Alpha's Head of Compliance on 03 8662 4000 or outline your complaint to us and send it to level 8, 1 Collins Street, Melbourne, VIC 3000, addressed to the compliance department at Alpha.

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 get a satisfactory outcome, or have not had a response within 30 days of making a complaint to Alpha's Head of Compliance, you have the right to complain to the Financial Ombudsman Service Limited (FOS). FOS is an external complaints and dispute resolution body. The service to you is free. The contact details for FOS are:

Financial Ombudsman Service Limited  
GPO Box 3,  
Melbourne  
Vic 3001  
Telephone; 1300 780 808  
[www.fos.org.au](http://www.fos.org.au)

Alpha Equities & Futures Ltd is a member of FOS – membership number 13512.

4. The Australian Securities and Investments Commission (ASIC) has information about your rights and how to make a complaint. Go to [www.asic.gov.au](http://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 Alpha at:

Level 8  
1 Collins Street  
Melbourne Vic 3000  
Telephone: +61 3 8662 4000

## 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 Alpha's services, please ask for them.

A reference to Alpha's fees or charges below generally includes payments to an Executing Counterparty.

### Equities / 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). Alpha's maximum standard brokerage rates (inclusive of any Executing 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 between 1.1% and 1.65% (including GST if applicable) of the premium, up to a maximum of 2.2%.

Alpha 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 Alpha's prevailing rate, generally the reference rate charged to Alpha plus 2.5% p.a.; and
- A fail fee, typically ranging in between \$75 to \$150 per day (depending on the 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.

### Alpha Premium Portfolio Service

- The Alpha 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 Alpha 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 and CFD's.

Alpha acts as an agent in regards to its OTC 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%.

### Futures

Alpha 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 and include any 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 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.

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

### FEES AND OTHER FINANCIAL PRODUCT PROVIDERS

Alpha has arrangements with a number of financial intermediaries in relation to the provision of financial products by Alpha to clients of those

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financial intermediaries. In those circumstances, a referral fee may be paid by Alpha 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.

Alpha may receive cash fees and commissions from the issuer of financial products including if Alpha 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 Alpha 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.

Alpha is entitled to a proportion of in between 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, so will be charged to your account and converted to Australian currency at the Executing Counterparties prevailing rate. You may be charged a fee by Alpha and its Executing Counterparties for the currency conversion and 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 Executing Counterparty which has not been paid, the Executing 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 Executing counterparty prevailing debit interest rate, which is generally the reference rate charged by the Executing Counterparties 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 Executing Counterparties to clear your funds or in respect of your payments will also be charged to your account. The Executing counterparty may debit these amounts to your account.

Alpha and the Executing 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. Alpha and the Executing Counterparties may also charge reasonable amounts for additional reports or communications required 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 communications with you from time to time.

All amounts owing by you may be debited to your account with the Executing Counterparties or withdrawn from your moneys held in trust for you, without 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 Executing Counterparty, for the financial product will disclose details of commissions, fees or other benefits received by Alpha, from the relevant 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 or services performed for you, including cancellation fees, penalties and default interest.



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