



FINANCIAL SERVICES GUIDE

Issue Date: 28th June
2019

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

Details

This Financial Services Guide (FSG) is dated the 28th of June 2019 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 License (AFSL No. 286354).

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 License (AFSL) No 286354 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). deposit and payment products limited to:
 - (A) basic deposit products;
 - (B) non-cash payment products;
 - (ii). derivatives;
 - (iii). foreign exchange contracts;
 - (iv). securities; and
 - (v). standard margin lending facility;
- (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) deposit and payment products limited to:
 - (1) basic deposit products;
 - (2) non-cash payment products;
 - (B) derivatives;
 - (C) foreign exchange contracts;
 - (D) securities; and
 - (E) standard margin lending facility; 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.

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;
- options on securities and indices traded on approved exchanges around the world; and
- client education seminars (product awareness & 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 while 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. Before acting on this advice you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You should consult your own financial advisor if you are unsure of the suitability of a recommendation to your own situation.

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.

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 (PDS) 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 are properly maintained.

Our relationship with you

FPM is responsible for the financial services we provide to you under our Australian Financial Services License. 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 in relation to our OTC contracts issued to you, the prices of OTC contracts we issue to you and fees, costs and charges on other financial services to you. We may also be directly remunerated by non-related product issuers or service providers through fees or ongoing commissions. 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 PDS for the relevant financial product.

The fees and commission rates charged for our financial services 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 i.e. each time an order is executed.

FPM is also entitled to retain interest it earns on client money held in the client money trust 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 of the interest. The rate of interest is determined by the provider of each account.

Administration Fees

FPM charges fees for certain administrative services which occur in the course of your dealings with us. Please refer to our website for administration fees. Many of these are paid onto a third party supplier of data feeds.

Third Party Charges

FPM requires you to maintain the minimum margin requirement to hold a CFD position. If your account balance falls below the minimum margin requirement at anytime, FPM may reduce some or all of your positions.

Margin requirements are based on the underlying product and are subject to change without notice.

Reductions & Waivers

FPM may in its absolute discretion reduce or waive the minimum deposit amount, the minimum account balance or interest rates on debit balances, electronic trading platform charges, administration charges, SMS service fees, fees (including royalties or fees for third party services) or transaction charges, for individual clients or for classes of clients, for any length of time, with or without conditions.

Third Party Charges

The fees and charges payable by you to FPM may differ from the fees and charges payable by FPM to its third party service providers from time to time.

SMS Service Fee

Should you request the delivery of correspondence regarding your account via the Short Message Service ("SMS"), you must pay an SMS Service Fee to FPM. The SMS service fee will be due and payable to FPM upon delivery of a SMS and will be debited from your Account at the end of each month. The SMS service fee is \$0.55. This fee is charged per SMS and is inclusive of GST.

Exchange Royalties and Fees

If you are given access through the electronic platform or otherwise to prices or information provided by any Exchange including the ASX or other market information provider to which a royalty or other fee for the use of such prices or information FPM may effect the payment of any such amount by debiting your account at the end of each calendar month.

The ASX exchange royalty charged by FPM is \$22.00 per month as at the date of this FSG is inclusive of GST.

Through the electronic platform clients will be able to access prices or information provided by other exchanges. There is a royalty or other fee which must be paid for access to the Exchange or other market prices or information. The royalty fee is charged per market. Each market royalty fee varies in price. If you subscribe to more than one market you will be charged the royalty fee for each market you subscribe to each month. FPM may effect the payment of any such royalty per market by debiting your account on a monthly basis. Please refer to the website for the royalty prices involved. The client may subscribe and unsubscribe to market data at any time by completing the subscription form on the website and emailing/faxing it to FP Markets.

Employee Remuneration

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

- contribution to profit;
- client service;
- product and risk management;
- leadership; and
- business generation.

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 \$1000 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 endeavor 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 an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may also make a complaint via the ASIC free call info line on 1300 300 630.

Australian Financial Complaints Authority (AFCA)

Mail: GPO Box 3, Melbourne, VIC 3001
Toll free: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

Administrative Costs

First Prudential Markets may 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 an email to: info@fpmarkets.com.au
Website: www.fpmarkets.com.au

Privacy Statement

FPM is committed to ensuring the confidentiality and security of your personal information. Our Privacy Policy, which details our handling of information, is available upon request or by accessing our website www.fpmarkets.com.au.

Circumstances of collection

We will collect personal information about you when you submit an application to open an account, visit our website, participate in promotional activities or send us correspondence. We may also obtain credit information about you from credit providers and credit reporting bodies to help us assess your application to open an account.

Why do we collect your personal information?

FPM collects and holds personal information for the following purposes:

- to consider and assess an individual's application to open a trading account;
- assist FPM in establishing and managing the individual's trading account;
- to notify individuals of margin calls;
- to provide an individual with information about our services, market trends or special offers;
- to protect our business and other clients from fraudulent or unlawful activity;
- to conduct our business and perform other management and administration tasks;
- to consider any concerns or complaints an individual may have;
- to manage any legal actions involving FPM;
- to comply with relevant laws, regulations and other legal obligations including the Corporations Act 2001 and the Anti-Money Laundering and Counter-Terrorist Financing Act 2006; and
- to help us improve the products and services offered to our clients, and to enhance our overall business.

Consequences of not providing us with the information

If you do not provide some or all of the personal information requested by us, we may be unable to approve your application to open an account, or provide you with our products or services.

Use and disclosure of information

We may use and disclose the personal information we collect about you for the purposes set out in the FPM Privacy Policy.

Who will the information be disclosed to?

The types of organisations to whom we may need to disclose your personal information to include:

- a related entity of FPM;
- an agent, contractor or service provider we engage to carry out our functions and activities, such as our lawyers, accountants, debt collectors or marketing agencies;
- organisations involved in a transfer or sale of all or part of our assets or business;
- organisations involved in managing our payments, including payment merchants and

other financial institutions such as banks;

- regulatory bodies, government agencies, law enforcement bodies and courts;
- liquidity providers;
- your introducing broker, co-account holder or other authorised agent; and
- anyone else to whom you authorise us to disclose it or is required by law.

Overseas disclosure

We are likely to disclose personal information to your introducing broker, who may be located outside Australia. It is impracticable to specify the countries in which your introducing broker may be located, as this depends on the introducing broker you choose to use. If you are unsure of the location of your introducing broker, please contact your introducing broker (or FPM) for further information. We also use cloud data storage providers, and the servers which store individuals' personal information are located in the United States of America. FPM may disclose personal information to other overseas recipients in the future, and the countries in which such recipients are likely to be located will be specified in this FSG (unless it is impracticable to do so).

Your rights

Our Privacy Policy contains information about how:

- you may access the personal information we hold about you;
- you may seek the correction of your personal information; and
- you may complain about a breach of the Privacy Act 1988 (including the Australian Privacy Principles); and
- FPM will deal with a privacy complaint.

Marketing

We may use personal information we collect from you to send marketing material from time to time, unless you elect not to receive the material. We may use third party marketing agencies to assist us to send you marketing material.

Should you have any questions or enquiries, please don't
hesitate to contact FP Markets.

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fpmarkets.com.au

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