

# FINANCIAL SERVICES GUIDE

## Purpose

The purpose of this Financial Services Guide (FSG) is to assist you, the investor, in deciding whether to use any of the services offered in this document. This guide contains information about the remuneration that may be paid to Pro Trader Securities Pty Ltd ('Pro Trader Securities', 'we', 'us', 'our') and/or other relevant persons in relation to the services offered. It also contains information about how complaints against Pro Trader Securities are dealt with.

## Contact Details

Pro Trader Securities Pty Ltd may be contacted in writing at:

PO Box 756  
Osborne Park  
WA 6916

Phone: (+61 8) 9202 3900

E-mail: [info@protradersecurities.com](mailto:info@protradersecurities.com)

Website: [www.protradersecurities.com](http://www.protradersecurities.com)

## Instructions

A client may issue instructions to Pro Trader Securities by contacting them by one of the above methods.

## Authorisations

Pro Trader Securities has been authorised by the Australian Securities and Investments Commission (ASIC) pursuant to section 913b of the Corporations Act 2001 to carry on a financial services business to provide financial product advice (both general and personal) and deal in the following classes of financial products:

- (i) deposit and payment products limited to:
  - (A) basic deposit products;
  - (B) deposit products other than basic deposit products;
- (ii) derivatives;
- (iii) debentures, stocks or bonds issued or proposed to be issued by a government;
- (iv) life products including:
  - (A) investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - (B) life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;
- (v) interests in managed investment schemes including:
  - (A) investor directed portfolio services;
- (vi) retirement savings accounts ("RSA") products (within the meaning of the Retirement Savings Account Act 1997);
- (vii) securities;
- (viii) standard margin lending facilities; and
- (ix) superannuation

## Advice

In most cases clients will be provided with general advice which will not take into consideration the client's financial situation, investment objectives or needs and therefore may not suit your requirements. We recommend that you should seek independent advice or request Pro Trader Securities provide personal advice before making any investment decisions.

If you choose to use our services you may also receive from us a Product Disclosure Statement (PDS), Statement of Advice (SOA), Statement of Additional Advice (SOAA) and /or Record of Advice (ROA).

If we provide you with personal financial product advice rather than general financial product advice we will initially provide you with an SOA. Personal financial product advice is advice that takes into account one or more of your objectives, financial situation and needs. The SOA will contain the advice, the basis on which it is given and information about fees, commissions and any associations which may have influenced the advice.

On an ongoing basis, an ROA will be provided instead of an SOA if there have been no significant changes in your personal circumstances or the basis of advice has not significantly changed since your last SOA was provided. You have the right to request a copy of your ROA at any time.

To invest in any of our recommended financial products you must complete an application form attached to the relevant PDS. The PDS contains information about the particular product.

We will not provide advice on products that are not on our Approved Products List. Your adviser does not have the authority to advise on products that are not on Pro Trader Securities' Approved Product List.

If you have a current industry or employer superannuation fund, we will only recommend a rollover to another superannuation fund if it is in your best interest.

## Complaints

If you have any problems with any aspect of the service you receive from Pro Trader Securities you may contact the "Compliance Manager" on (+61 8 ) 9202 3900.

If your complaint is not resolved within seven days please submit your complaint in writing to "The Managing Director" Pro Trader Securities Pty Ltd, who will endeavour to provide a speedy resolution to your complaint. If you are still not satisfied with our response you may contact the following:

Financial Ombudsman Service (FOS)  
PO Box 3  
Melbourne, VIC 3001  
Phone 1300 780 808  
Fax (03) 9613 6399  
E-mail [info@fos.org.au](mailto:info@fos.org.au)  
Internet [www.fos.org.au](http://www.fos.org.au)

## Services

Pro Trader Securities offers the following services:

- Advising/Dealing on stock exchange listed securities
- Market and company research information
- Individually managed account discretionary service
- Financial Planning and Advisory Services

Pro Trader Securities acts on its own behalf when providing these services. Pro Trader Securities uses E\*Trade Australia to provide the clearing and settlement services to transact its trades in ASX listed securities. Pro Trader Securities and E\*Trade may both receive commissions and fees from providing the above services.

Pro Trader Securities has an exclusive arrangement with Pro Trader Pty Ltd who may refer clients. Pro Trader Pty Ltd may receive a benefit for these referrals.

## Main Risks Associated with Investing in Listed Equity Securities

While we do not provide you with personal financial product advice we think you should be aware of the risks associated with investing in listed equity securities. Some of these risks include:

1. **Market risk** - this is the risk of gain or loss by movements in the stock market generally caused by economic, political or legislative factors for example, inflation and interest rates.
2. **Global risk** - this is the risk associated with international events or market factors.
3. **Sector risk** - risk associated with an industry's products or services such as the demand for a product or service, changes in consumption patterns, economic and industrial cycles, technological developments, commodity prices, lifestyle changes.
4. **Equity specific asset risk** - risks associated with the specific investment, for example, quality of the company's directors; the strength of management and key personnel; profitability and asset base; debt level and fixed-cost structure; litigation; competition levels; liquidity of the investment.
5. **Timing risk** - the risk that you could enter the market at a bad time for example just before a general market downturn.
6. **Liquidity risk** - there is a risk that you may not easily or quickly enter or exit a position at a reasonable price due to the liquidity of the security traded.

## Charges and Remuneration

Pro Trader Securities may charge brokerage, commission or a fee depending on the services that are provided to the Client.

Pro Trader Securities staff remuneration may be by way of a salary, a salary and commission or a commission only structure. Client advisers may also receive additional 'bonus' payments which are linked to the amount of fees and commissions generated by them; these payments are in the range from 5% to 30%. The client has the right to request further particulars in relation to the remuneration of advisers.

An outline of Pro Trader Securities charges for brokerage and fees is provided below.

### 1. Brokerage

When trading shares a Commission fee will be charged and detailed on the Contract Note. Should you wish to trade with an adviser, your adviser will agree a commission with you before entering into the transaction. Usually, your adviser will agree a rate of commission with you when you first open your account so that the process of commission agreement does not need to be repeated for every subsequent transaction. Unless another commission rate is agreed our standard rates inclusive of GST are:

- Execution only trades under \$10,000 \$60.50
- Trades over \$10,000 value 0.75%
- General advisory trades under \$10,000 \$88.00 minimum
- General advisory trades over \$10,000 1.25%

The above rate for general advisory trades applies to clients who use other Pro Trader Securities services. For those clients using us for share trading services only, the minimum rate for general advisory trades is \$110. Orders may be made by phone or e-mail.

For options trades an additional fee of \$2.00 per extra contract will be charged.

In all of the outlined scenarios, E\*Trade Australia receives a sliding scale of payment per contract note for trades under \$60,000 from \$25 to a minimum of \$15 depending on monthly contract note volumes.

For trades over \$60,000 there is a sliding scale depending on the face value of the contract note from 0.06% to a minimum of 0.03%

### 2. Stock Analysis and Reports

In addition to advisory services and education, a Pro Trader Securities subscriber may receive, stock market analysis and research reports.

#### Limitations of Research

The research undertaken by our licensed advisers is only the opinion of specialist analysts. It can never be guaranteed and it is valid for a limited time. The fact that a share is recommended as a 'buy' does not necessarily mean that it is a suitable investment for you.

#### Conflicts of Interest

Pro Trader Securities and its advisers may have an interest in the securities recommended to you. You have the right to be advised about any interest of these parties that may reasonably be expected to be capable of influencing a securities recommendation made to you.

### 3. Individually Managed Account Discretionary Service

This service for sophisticated investors only, relates to a situation where Pro Trader Securities can transact on behalf of an individual client without prior reference to or approval of that client.

On a general basis, the client authorises Pro Trader Securities to purchase, acquire, sell or dispose of securities to form part or all of the portfolios at the discretion of Pro Trader Securities. A management fee of 1.5% p.a. (plus GST) will be charged quarterly or six monthly in advance, calculated on the value of your portfolio.

You will be considered a sophisticated investor if you invest an amount of \$500,000 or more.

You will also be considered a sophisticated investor if you have:

1. net assets of at least \$2.5 million, or
2. a gross income for each of the last 2 financial years of at least \$250,000 per year.

In the case of the latter category, you must provide certification, prepared within the last two years, from a qualified accountant. Trustees of Superannuation accounts must have more than \$10 million in their fund to qualify.

### 4. Personal Advisory Account Service

On a general basis, Pro Trader Securities will recommend the purchase, acquisition, sale, disposal of securities on the basis of research conducted on behalf of the client on a personal advice basis.

Personal financial product advice is advice that takes into account one or more of your objectives, financial situation and needs as outlined in a SOA prepared on your behalf.

In addition to agreed brokerage fees, a management fee of up to 1.5% p.a. (plus GST) will be charged quarterly or six monthly in advance, calculated on the value of your portfolio, with a minimum fee of \$1500 per annum.

A fee of \$500 is payable for the preparation of the SOA but this fee is included in the annual fee should the client agree to proceed with the provision of the personal advice service.

## 5. Financial Planning and Advisory Services

Your adviser will either charge you a fee for service, receive commissions on products that are recommended, or a combination of both. Details will be clearly documented for you before you receive any advice where a fee is charged, or in your Statement of Advice where commission is received.

### Fee for Service

You may be charged a fee for the advice provided and the placement of our initial investment as well as an ongoing fee for the provision of ongoing or additional advice. If your adviser charges a fee for service, the details will be provided to you before any financial service is offered. Fee for service may be a flat fee or based on an hourly rate or a combination of both.

The hourly rate may range from \$165–\$330 per hour including GST depending on the type of product recommended and complexity of your personal situation. Where a fee for service arrangement is implemented you will be requested to complete a service agreement with your adviser before any service is provided.

Commissions for investment products (including managed investments, superannuation products, portfolio administration services, margin lending products and stockbroking fees) may be paid within the range of 0.5% to 5% depending on the nature of the product.

Commission from insurance products (Life insurance, Total and Permanent Disability Insurance, Income Protection insurance or Trauma insurance) usually range between 50% to 125% of the first year annual premium and 10% to 35% thereafter of the annual premium for each year that you hold the product, depending on the type of insurance product.

As it is not possible at this stage to determine what insurance products, if any, will be recommended to you, it is not possible to identify the exact commissions that would be payable. Therefore, details of all commissions received by Pro Trader Securities and your adviser will be disclosed in your Statement of Advice.

Pro Trader Securities may from time to time receive a benefit from product providers by way of sponsorship of educational seminars, conferences or training days. Details of benefits above \$300 will be maintained in a Register.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration, and soft dollar benefits received by the licensee and/or representatives.

## Compensation Arrangements

Pro Trader Securities confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to \$2,000,000 for Pro Trader Securities and our authorised representatives/representatives/employees in respect of our authorisations and obligations under our Australian Financial Services Licence.

This insurance will continue to provide such coverage for any authorised representative/representative/employee who has ceased to work with Pro Trader Securities for work done whilst engaged with us.

## Privacy

Pro Trader Securities is committed to upholding the National Privacy Principles that form part of the Privacy Act 1988. Except within the terms of our Privacy Policy and with your permission or at your request, we will never provide any personal information you supply us to a third-party except in the case where requested by an authorised governmental or judicial body. A copy of the Privacy Policy is available on our website at [www.protradersecurities.com](http://www.protradersecurities.com) or a hard copy will be provided upon request.

If at any time you feel your privacy has been breached by us, please contact [privacy@protradersecurities.com](mailto:privacy@protradersecurities.com). Your complaint will be dealt with as a matter of urgency and if the matter is not resolved to your satisfaction we direct you to the Office of the Federal Privacy Commissioner at [www.privacy.gov.au](http://www.privacy.gov.au) who will handle your privacy complaint free of charge.

## Obligations under the AML/CTF Act

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as passports and driver's licence.

We will also retain copies of this information. We assure you that this information will be held securely. We cannot provide you with services if you are unwilling to provide this information.